



ANADOLU ETAP

Sustainability Report 2020



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ABOUT OUR REPORT

This report is Anadolu Etap's third sustainability report about reflecting on its economic, environmental, and social performance. Through our sustainability reports, we are sharing with our stakeholders: resulting from our activities and how we manage those impacts through our measurement, traceability and improvement practices.

Its Scope and Boundaries of Topics

The information contained in this report covers all activities of Anadolu Etap between 1 January 2020 and 31 December 2020, without any restrictions. We also include the 2018 and 2019 data in terms of following the trends.

We have determined the contents of the report to be in line with the opinions and suggestions of all internal and external stakeholders - including employees and company senior management. In addition to our process of determining the report content, we explain the reporting boundaries of important topics in the **Our Sustainability Impacts on Our Value Chains** section of this report. Additionally, our suppliers also have impact on these issues. We provide detailed information on the management of these impacts under the **Supplier Social and Environmental Impact Audits** section of this report.

Important Disclosure Regarding Management:

In 2021, due to the rapidly growing business scale of our company, the Anadolu Etap Board of Directors have decided to change management and leadership structure and manage our company in two separate general directorates: "Plantation and Fresh Products General

Directorate" and "Fruit Juice General Directorate" effective from the second half of 2021.

This report, which was published in 2021 and includes our economic, environmental, and social sustainability activities for 2020, covers the business unit activities implemented by the former management organization.

Principals

Our report has been prepared in accordance with the **GRI Standards Core** option. Whilst determining our strategic sustainability topics, we considered the materiality, stakeholder inclusiveness, sustainability context and completeness principals of GRI. Since our first published report, we have been grounding on the sustainability topics in the GRI G4 Food Industry Annex.

Our report also includes our explanations for the 10 principles of the UN Global Compact that we signed in 2020. You can access the **UNGC Content Index here**.

We directly serve some of the **UN Sustainable Development Goals** with our practices within our focus areas. Details in this context are included under the heading **Our Contribution to Sustainable Development Goals** in our report.

Our Next Report

We aim to publish the fourth of our sustainability reports (which we plan to publish annually) in the third quarter of 2022.



Anadolu Etap Contact Information

You can contact us about any opinions, suggestions and questions regarding the report.

E-posta: surdurulebilirlik@anadoluetap.com

www.anadoluetap.com



HANDAN EREN

PLANTATION AND FRESH PRODUCTS GENERAL MANAGER



Dear Stakeholders,

We are proud to publish our third sustainability report as an agriculture and food company working for making healthy food available and sustainable for everyone.

Since 2010, we've been investing in our country's economic, social, and environmental future alongside you, our valued stakeholders. As the first agricultural company in Turkey to publish Sustainable Agriculture Principles and commit to operating in accordance with them, we are dedicated to preserving our established great ecosystem and the values derived from Anatolian lands in accordance with the United Nations Sustainable Development Goals. By signing the United Nations Global Compact in 2020, we have officially declared our determination to working on a global scale in accordance with these principles.

Beyond our financial results we have demonstrated that, as an agriculture and fruit growing company, we are pursuing a new business model and a different ideal for our sector; to become a sustainability role model for our future. We create value for each of our stakeholders and our country by combining our traditional values in the fertile Anatolian lands, where agriculture has been practiced for centuries, with our corporate principles, business model, fruit expertise, modern agricultural technologies, and export vision. At Anadolu Etap, we regard sustainability as a value that is at the heart and foundation of our company's history and mission.

We have seen the importance of our commitments to a sustainable future once again during the course of the pandemic. The agricultural and food industries felt the brunt of the sudden crisis caused by Covid-19 all over the world. Many areas of the agriculture and food sector, including production, the workforce, supply, and logistics operations, have experienced unexpected crises. Despite rising demand for healthy foods, supply chain issues, export restrictions, crop losses caused by extreme heat and drought brought on by climate change, and increased

logistics costs have resulted in an increase in food prices. Additionally, natural disasters such as temperature increases, altered precipitation patterns, frost, hail, fire, and flooding have occurred more frequently and severely. All countries around the world are working hard to come up with solutions that will meet the present and future food demand.

All of these are critical indicators of how critical it has become for the world's agenda to place a premium on healthy food, agricultural production, and sustainability. Despite such a difficult environment, we had a successful 2020, both as a country and as a company. We were able to continue our operations without interruption with our agricultural activities, harvesting, production, and export operations. We have maintained our production at international quality standards by adhering to our sustainability principles, which form the basis of our business model. Considering the delicate balance that exists between humans and nature, we have been working toward the goal of producing healthy, high-quality products while also fostering a sustainable ecosystem through the use of innovative and traceable agricultural practices, since our establishment. We will continue to invest in the national economy, our human resources, our technology, our lands, and our farmers with this outlook in mind.

On the other hand, as with any field, women's presence and labor are critical in our business. I am personally proud to lead a company that believes in the value created by women and works to increase women's economic participation by demonstrating Anatolian women's strength.

I'd like to express my gratitude to my colleagues, customers, suppliers, and all other stakeholders who support us in our efforts to build a better future.

Kind regards



MUTLU OCAK

FRUIT JUICE GENERAL MANAGER



Dear Stakeholders,

Our sustainability report, which is a strong expression of our commitment to a sustainable future, is one of the things we are most excited to share with you.

As of today, we supply healthy food to more than 65 countries, with a rate of export exceeding 70%. As we operate in the field of agriculture and food and produce to international quality standards, we use our environmental, economic, and social sustainability principles as a foundation for all of our activities.

We are a fully integrated agriculture and food company that is steadily growing through our plants and the products developed at our research and development centers. We use a unique model that is renowned for its quality in global markets and is steadily growing day by day. As a global fruit company, we are establishing “Anadolu Etap model” in our sector through our corporate structure, sustainable business practices, product expertise, and high-quality production. This integrated structure is complemented by our commitment to sustainability, export focus, quality, and the customer oriented vision.

Our investments in agriculture and agricultural development in our country, as well as the employment we create, raise contribution of our social, economic, and environmental responsibilities, as well as our commitment to a long-term future.

Since our foundation, we have believed in the importance and value of making sustainability a way of life and a business model, rather than a theoretical concept. We perceive sustainability as a critical component of our mission and as a value. The sudden crisis that we all have experienced together alongside the pandemic has once again revealed the importance of sustainability. Under the influence of mega-trends, such as the negative effects of climate change, population growth, increasing urbanisation, and the reduction of arable agricultural land,

we act by considering productivity and sustainability as principle in agricultural production in order to provide sufficient food for the world.

We strive to leverage Turkey's geographical structure, favorable climatic conditions, diverse range of agricultural products, and logistics strength to become more competitive in global markets and to represent Turkish fruit juice with quality in these markets.

As Anadolu Etap, we defined our primary objectives as follows: to act mindful of natural resource constraints and to invest in sustainable and smart agriculture, modern production technologies, and research and development, in order to expand our sustainable business model and international standards to the regions in which we operate. Our investments in quality, ensuring the continuity of our workforce and supply chain, and digitizing all of our processes all contribute significantly to our position as one of Turkey's largest fresh fruit and fruit juice processors. It's also a source of personal pride for me to be able to serve the food and agriculture sectors, both of which are critical for the world's future.

I'd like to express my gratitude to all of my colleagues and stakeholders for their contributions to the development of the Anadolu Etap ecosystem, which operates with the goal of leaving a more livable world for future generations.

Kind regards



At Anadolu Etap with our vision of “**healthy fruits for healthy generations**”, and our business model that substantially supports this vision, we provide the value we receive from Anatolia to the world by exporting to over **65 countries in different parts of the world.**



OUR CORPORATE PROFILE

OUR FIRSTS AND MILESTONES

2010 We were established with the partnership of Anadolu Group and Özgörkey Holding.

2011
(April) We planted our first fruit sapling.

2013
(May) We received our International Global G.A.P and Domestic Good Agricultural Practices certificates (ECAS).

2014 We became the first agricultural company in Turkey to publish and implement the "Sustainable Agricultural Principles".

2015
(December) We received our organic production certificate (IMO Control).

2017
(June) We received our IFS International Food Standard certificate.

2017
(Haziran) We received our halal certificate (World Halal Association).

2017
(August) We received our FSSC 22000 Food Safety Management System certificate (USB Certification).

2017
(August) We received our BRC Global Food Standard certificate (USB Certification).

2017
(August) We received our ISO 9001 Quality Management System certificate (USB Certification).

2018 We became the first agricultural company to publish the sustainability report prepared in accordance with the GRI Standards of Turkey (2017 Period Report).

2019
(May) We received our ISO 27001 Information Security Management System certificate (TRB International).

2019
(December) We received our ISO 14001 Environmental Management System certificate (SOQAR).

2020
(January) We received our ISO 45001 (SOQAR) certificate.

2020 We signed the United Nations Global Compact and carried our sustainability commitment to the international platform.

We became the first fruit company in Turkey to receive the TSE Covid-19 Safe Production Certificate.

Important Notice: The dates for the documents listed here are the first receipt dates and the documenting institutions are the institutions that we received service from for the first time. These documents are updated with regular audits. You can find our current certificates [here](#). You can access the 2020 period document audits [here](#).



OUR CORPORATE PROFILE

ANADOLU ETAP FACTS AND FIGURES

Production



In **6** different regions of Turkey



8 farms



1 fruit packing house



5.000.000 planted fruit trees



On **30,000** HA land



3 fruit juice plants



2 R&D Centers



350,000 tons of annual processed fruit

Products

Fruit purchasing with Sustainable Agriculture Principles



of **9** different fruits



of **150** different kinds



From nearly **4,000** villages and farmers

Employment



4.000+ Employees



70% of whom are women farmers



Employment opportunities for approximately **2,000** seasonal migrant workers per year

Export



65+ Number of countries we export to



70% Export share in our turnover



Broad market network extending particularly from Europe, the Middle East, Russia and India to the USA, Latin America, and Japan.



OUR INTEGRATED BUSINESS MODEL AND PRODUCTS

As Anadolu Etap, we are one of the important agricultural companies offering Turkish fruit to the world with our 70 percent export-oriented sales volume, serving a wide geography from the USA to the Far East, by expanding our production, sales and marketing network every year since the day we were founded in 2010. Our business model is managed by two separate business units, Plantation and Fresh Products and Fruit Juice operations. Our business units work by supporting each other as the fundamental links of Anadolu Etap ecosystem.

Plantation and Fresh Products Unit

Plantation: It conducts all agricultural processes from field studies, making planting plans, planting fruit trees to harvesting our fruits.

Fresh Products: It conducts the sales and marketing processes of fresh fruits harvested from our farms and contracted gardens.

We grow 150 diverse types of fruit in our farms and contracted gardens, according to different fruit types. We bring our fresh fruits to consumers both in Turkey and abroad with our trademarks “Taptazem”, “Solemio” and “Bolfrut”.

We serve a variety of customers of different scales - mostly from chain retail stores and large-scale corporate suppliers domestically with the fresh fruit and the chopped fruit and salad group we call “fresh cut”.

Fruit Juice Operation Unit

It carries out the processes of purchasing and processing the fruits that meet our high-quality criteria (from our farms and nearly 4,000 villages across Turkey) as well as presenting them to our domestic and foreign customers as fruit juice, concentrated fruit and fruit puree.

We present our processed fruits in the forms of fruit juice concentrate, fruit puree, peel oil, direct pressed fruit juice and IQF (individual quick freezing) to other industries of fruit juice, jam, confectionery, vinegar and sauce, pastry, ice cream, cosmetics, canned food, pharmaceutical and flavoring and coloring companies as raw materials.



We contribute to the local economy, rural development, and employment in all regions where we operate, with eight farms on 30 thousand decares of land, three fruit juice plants, a packing house, and many cooperating producers in six different regions of Turkey.

Our Fresh Fruit Production Farms	Grown Fruits
Balıkesir-Tahirova	Apricot, peach, nectarine, cherry and plum in the hard-seed category Apple, date and pear varieties in the soft-seed category
Çanakkale-Kumkale	Peach, nectar and apricot
Denizli	Sour Cherry and Cherry
Konya-Karapınar and Karaman	Organic apple, apple and cherry
Experimental Farms	Grown Fruits
Adana and Şanlıurfa	Fruit species that are brought to Turkey for the first time
Contracted gardens where we can implement sustainable agricultural practices	Citrus, grape, fig, pomegranate

Our Fruit Juice Plants	Products
Isparta, Denizli and Mersin plants	Fruit juice, concentrate and puree products
Packing House	Operation
Balıkesir-Gönen	Fresh fruit packaging

R&D AND TECHNOLOGY

At Anadolu Etap, we have invested 350 million dollars in the fresh fruit and fruit juice industry in our country since the day of our foundation. R&D activities have a significant share in these investments. In our Mersin Fruit Juice Plant and Balıkesir-Tahirova farm, we are able to carry out R&D studies, not only on fruit breeding, but also in every process, from production to the end consumer, within our two R&D centers. Our centers come with high production standards, registered by the Ministry of Industry and Technology. Particularly, with our R&D studies in fruit juice, we share the fresh fruit, the fruit juice potential and the quality of Turkey (which is one of the most important countries in the field of agriculture) with the world markets. The ratio of the products we develop in our R&D centers that end up in our fruit juice exports is increasing every year. Additionally, we work on hundreds of fruits and its varieties in our experimental farms in Adana and Şanlıurfa, and furthermore, we grow fruit types brought to Turkey for the first time.

We use fewer natural resources by increasing efficiency with the automation systems we use in our plants and fruit packing houses. We work with the aim of minimum waste production and high food safety quality. The equipment and analysis level of our laboratory in our Mersin Fruit Juice Plant is of the level of an accredited laboratory. Our Isparta plant, which we established in 2017 as a new investment for both our country and our company, is one of our plants that utilises automation at the highest level in all production stages in Turkey and sets an example in Europe.

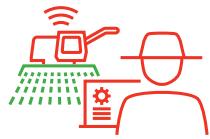
At Anadolu Etap, our primary goal with using technology in agricultural activities is to focus on technologies that will provide maximum efficiency, quality, and savings of the use of natural resources, while still meeting the expectations of our customers. Additionally, it is important that these solutions provide us data that can be measured, monitored, and supported with planning. We rely and focus on business intelligence solutions, biotechnical control methods and smart agricultural practices to serve these goals in all our activities, and we have been investing in these technologies since our establishment.

We grow and process our fruits with innovative technologies, such as agricultural frost-control systems, remote-controlled irrigation systems, cultivation systems, biotechnical control methods, agricultural machines equipped with sensors, greenhouse installations and tracking systems from soil to table. We track and record every moment of the fruit production stages with information systems.



We plan all of our farms according to the structure of the soil, the slope of the land, the light and water needed by the fruit tree to be grown, and the use efficiency of natural resources. Starting from the establishment stage, we use modern and efficient technologies that support our operation processes. We continue to work on modernization and infrastructure improvement required by our technology.

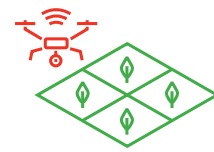
DIGITAL AND SMART AGRICULTURE PRACTICES



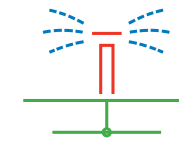
Early warning
systems-agricultural
meteorological station
technologies



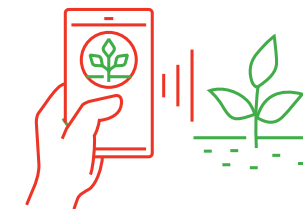
Digital pheromone trap
technologies



Soil preparation
machines working on
the defined land



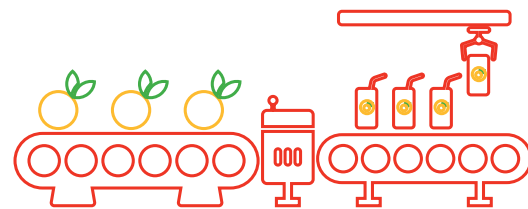
Smart irrigation and
fertilization systems



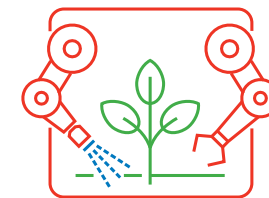
IoT-based heat, humidity
and temperature
measuring equipment



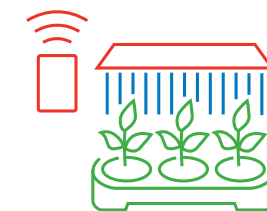
Chlorophyll detectors
with smart harvest
maturity detection



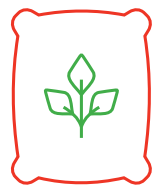
Automated fruit selection/
classification machines



Soil-to-table tracking
systems



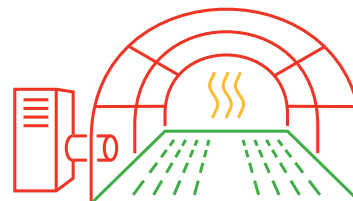
Remote controlled
irrigation systems



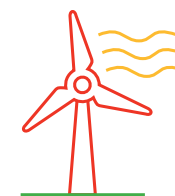
Biotechnical
control methods



Agricultural
machinery equipped
with sensors



Greenhouse
installations



Automatic anti-freeze
propellant systems



ERP software
systems



At **Anadolu Etap**, we conduct all of our operations by focusing on the people and nature, by producing with our ethical principles and international quality standards and by providing development opportunities for each and every stakeholder we come into contact with **socially, economically and communally - particularly** by implementing projects that will increase women's participation in the economy and by contributing to the regional development of where our practices are based.

OUR MANAGEMENT APPROACH

OUR MISSION, VISION AND VALUES

OUR MISSION

To be leading at the forefront of fruit juice and fresh fruit companies in Europe

How will we achieve it?

- By presenting the products demanded by our customers at the right time and of the targeted quality, in the most efficient way
- By developing value-added and innovative products

OUR VISION

Growing healthy fruits for healthy generations

How will we achieve it?

- By adhering to the principles of sustainable agriculture
- By maintaining international food safety and quality standards
- By using resources efficiently in production

OUR VALUES

Our Activities and Highlights Supporting Our Corporate Values



Being Human Oriented

- Healthy fruits for healthy generations
- Sustainable projects that will support women's participation in the workforce, support the education of children and that will create social benefits
- Investing in the soil and our farmers, in order to leave positive marks in the future of the world, and investing into the support we provide to our farmers and their children with education and scholarships



Reliability and Integrity

- Our traceable agricultural practices
- Compliance with international quality and food safety standards
- Our farms with Global G.A.P. and Good Agricultural Practices certificates and our contracted gardens where we can implement sustainable agriculture principles



Social Responsibility

- The exemplary living and working conditions model we have created for the employment of seasonal migrant workforces
- Nursery and education opportunities for the children of seasonal agricultural workers on the farms where their parents work

See. MIÇÖ

- Children of Seasonal Agricultural Workers
- Our "Fruit Growing and Sustainable Agricultural Practices" training courses we provide through the AgroAkademi platform, in order to contribute to the socio-economic development of the regions where we produce



Sustainability

- Our Sustainable Agriculture Principles
- Production of healthy, high quality and accessible fruit for all, where we use energy and water resourcefully
- Goals for creating a sustainable ecosystem and supporting the development of the regions where we operate
- Our investments in agriculture and agriculture-based industry in our country



Gender Equality & Contribution To Women's Employment

- The aim of increasing women's participation in the economy and contributing to their agricultural employment
- The importance we attach to the added value created by women
- The priority we give to women when selecting our seasonal workers to work on our farms
- Training programs that will support women's participation in the agricultural workforce and increase the number of qualified female workers

See: AgroBurs

See: AgroAkademi



Entrepreneurship & Innovation

- Being Turkey's largest fresh fruit grower and fruit juice producer
- Follow-up of industrial opportunities, practices and technologies
- The aim of providing the knowledge, the experience, and the right tools that our employees need in our R&D centers
- The goal of creating new markets with new products
- Implementation of an entrepreneurial and innovative corporate culture that always seeks the best and the newest, with the aim of continuous improvement.



CORPORATE GOVERNANCE

The Anadolu Etap Board of Directors is the highest strategic decision-making and control body of our company. Anadolu Etap Board of Directors is obliged to serve for established terms from the moment it is elected. The Board of Directors is responsible for fulfilling its duties in a transparent, accountable, fair and responsible manner - taking into account the risk-return balance, growth and company interests in line with corporate management principles.

Board Structure

Anadolu Etap Board of Directors consists of seven members:

Chair of the Board of Directors: Tuncay ÖZİLHAN

Deputy Chairman of the Board of Directors: Ahmet Cemal ÖZGÖRKEY

Board of Directors Members: Kamilhan Süleyman YAZICI Armağan ÖZGÖRKEY
Mehmet Hurşit ZORLU Tuğban İzzet AKSOY Rasih Engin AKÇAKOCA

Counselor Members: Yılmaz ARGÜDEN Ömer BOZER

Anadolu Etap's Board of Directors meet six times a year, every two months, to determine and evaluate the financial structure and strategic priorities of the company. In addition to Anadolu Etap Board of Directors members, two counselor members take part in all board meetings. Company management* consists of the General Manager, Fresh Products Operation Unit Director, Plantation Operation Unit Director, Fruit Juice Operation Unit Director, Financial Affairs Director and Human Resources Director.

*In 2021, Anadolu Etap Board of Directors changed the company management and leadership structure in line with the rapidly growing operation scale of our company, as of the second half of 2021, it has decided to manage our company with two separate general directorates, namely "Plantation and Fresh Products General Directorate" and "Fruit Juice General Directorate".

Business Ethics and Compliance Management

Anadolu Etap carries out its activities in accordance with the Fundamental Labor Policies and Labor Relations Procedure of the Anadolu Group to which it is affiliated. This covers the principles of anti-bribery, compliance with laws and transparency of company activities, which are accepted as the fundamental philosophy of all Anadolu Group companies. Anadolu Etap shares all necessary information and provides training, so that all its stakeholders can have a good understanding of the rules of business ethics in accordance to these policies. The suggestion and complaint mechanisms are always open with the implementation of these rules and Anadolu Etap ensures their continuous follow-up.

Within the "business ethics" and "responsibility" sections of the "Sustainable Agriculture Principles" document published in 2014, it clearly discusses the steps to create a fair business environment in the agricultural industry and applies the Anadolu Group Business Ethics and Nonconformity Reporting Regulation in all Anadolu Etap operation units, in addition to these policies. The aim of implementing regulation is to increase transparency within The Anadolu Group, support compliance with current working principles and protect the Group's reputation throughout society. Additionally, this aims to ensure that the behaviors contrary to the laws, general moral and ethical rules, and existing written Anadolu Group regulations are known by its employees and stakeholders, and in cases where the opposite is encountered, the issue is reported to the competent authorities within the Group.

The definition of the functions and rules required for the review of these notifications is also within the scope of the regulation. The Regulation is binding for all Anadolu Group Companies, and it defines the obligatory structure to be established for the Anadolu Group Ethics Committee, the Company Ethics Committees, the principles of business ethics, the nonconformity issues they are responsible to review, and the responsibilities of the Anadolu Group Ethics Committee and the Company Ethics Committees towards each other. This sets forth the notification channels that can be used in nonconformity notification and the rights and responsibilities of the person making the report. Anadolu Etap Ethics Committee, as being established to conduct this task, consists of the General Manager, Human Resources Director, Financial Affairs Director, Accounting Manager and Technical Purchasing Manager.

Reports of non-compliance sent to the ethics committee are received by Remed Etikhat, an independent company, via e-mail and telephone, and are evaluated by the Company Ethics Committee and Anadolu Group Ethics Committee, which meet regularly within the framework of the Personal Data Protection Law and confidentiality principles, and necessary actions are taken.



OUR INDUSTRY, RISKS AND TRENDS

At Anadolu Etap, we also monitor the possible risks related to changes in the whole world. We prepare our company for the future by considering all external factors, including global problems and their possible effects on our industry, sectoral trends and legislative changes.

2019-2020 WEF World Economic Forum Risk Perception Survey

Amongst all industries, the food and agriculture sector is the most critical sector that directly affects human life and health. Today, climate change and the obstacles to healthy feeding of the rapidly increasing world population are the leading global risks in the world. In regions where agricultural productivity is low, the risk of food insecurity is increasing.

The environmental and social risks identified among the 10 most influential risks of the next 10 years in the WEF research are directly related to our activities. Our explanations on how we manage these risks are included in the relevant sections of our report.

WEF Environmental Risks	Relevance to Anadolu Etap Activities	Relevant Sections in Our Report
Failure to Combat Climate Change and Extreme Weather Events	The agricultural industry... ... is responsible for 23% of global greenhouse gas emissions (IPCC 2019 Report). The increase in the number and severity of natural disasters brought about by climate change also causes a decrease in drinking water and irrigation resources and a decrease in agricultural productivity as a consequence.	Energy Management Waste and Emission Management
Biodiversity Loss	... uses 50% of the habitable land. In the last 10 years, 13 million hectares of forest have been cleared for agricultural use each year. (FAO2030 Agenda)	Biodiversity and Soil Conservation
WEF Community Risks	Relevance to Anadolu Etap Activities	Relevant Sections in Our Report
Water Crisis	The agricultural industry... ... uses 70% of freshwater resources. (FAO Website FAQ)	Water Management
Epidemics	... is the livelihood of 80% of the population living in rural areas around the world (FAO2030 Agenda). In 2020, the COVID-19 pandemic underlined the importance of a robust and resilient food system that is able to function in all circumstances and deliver enough food to the entire population.	Occupational Health and Safety (Combating Covid-19) Community Investments

Consumer Research

One of the most important steps in preventing the problems of climate change, water scarcity, soil welfare, food safety and deforestation is the transformation of the food industry. In addition to the difficulty of this transformation, changing consumer behaviors and preferences have the effect of accelerating the change in the industry. According to Nielsen's 2016 "What's in our food, and on our mind" research, 60% of consumers state that they prefer not to buy products with artificial ingredients, while the Euromonitor 2017 Global Soft Drink Market report shows that the demand in the healthy beverage market has doubled in the last five years. GfK's Consumer Life Global research survey, conducted in 21 countries in 2020, shows that "environmental conservation" amongst 57 values has risen 11 places in the last five years, placing it in 16th place among personal values. Many global initiatives, especially the UN Sustainable Development Goals, are in efforts to restructure the transformation in the food industry with solution proposals and action plans.



OUR INDUSTRY, RISKS AND TRENDS

Green Deal and the From Farm-to-Fork Strategy

The Green Deal strategy, put forward by the European Commission at the end of 2019, has been developed as an initiative that puts the United Nations Sustainable Development Goals (SDGs) at its center and establishes the clearest framework among these initiatives. The Green Deal details the food and agriculture issue within the road map drawn by Europe with the aim of becoming the first carbon neutral continent, by addressing it under a separate heading under the name of the From Farm to Fork strategy.

From Farm to Fork, while targeting the problems of sustainable food systems, also reveals the ties between healthy people, community and the planet, and brings with it some goals that will change the rules in international trade for European Union countries. Accordingly, the European Union has set targets to reduce the use and sales of chemical fertilizers, harmful pesticides and antimicrobials by 50% by 2030, to promote organic farming areas and products, to reduce food waste, and to ensure seed safety and diversity.

Along with the practices that will encourage healthy consumption, it is expected that the compliance with these criteria will be applied heavily for the raw materials, semi-finished products and products it imports. The Green Deal brings with it the necessity of applying social rights in parallel with EU criteria in the entire supply chain, particularly on the continuity of agricultural production and seasonal workers. The European Union is the world’s largest agri-food importer. For this reason, it is foreseen that the sustainability obligations that will increase the global standards, in order to create a sustainable food system within the European Union, will increase. It is expected that these changes will trigger new regulations in our country, which conducts more than 50% of its exports to EU countries.

Compliance with the Green Deal at Anadolu Etap

The Green Deal and From Farm to Fork strategy is a critical development for Anadolu Etap. We continue our analysis and application development studies to adapt to this new framework, and we display a foresighted approach in order to manage all these risks and developments and to adapt quickly to changes.

Our Anadolu Etap Sustainable Agriculture Principles (which we have gathered under three main headings as social, environmental and economic, and developed by taking international initiatives into account as Anadolu Etap), provide us with foresight about global risks and guide us to take timely and fast action. We manage all of our activities within the framework of these principles, in line with the sustainability vision of Anadolu Group and in a way that will serve the founding mission of our company.



From Farm to Fork Strategy 2030 Goals	Explanations in Anadolu Etap Sustainable Agriculture Principles	Relevant Sections in Our Report
Reducing the use of chemical fertilizers, harmful pesticides, and antimicrobials (50%)	Environmental Sustainability D) Agricultural Inputs	Food Reliability and Quality Sustainable Supply Chain
Increasing the rate of organic farming areas (25%)	Environmental Sustainability C) Site Selection and Management D) Harvest and Post-Harvest Management	Sustainable Supply Chain Community Investments
Reducing food waste	Environmental Sustainability D) Harvest and Post-Harvest Management	Waste and Emission Management
Ensuring seed safety and diversity	Environmental Sustainability C) Biodiversity	Biodiversity and Soil Conservation



OUR SUSTAINABLE AGRICULTURE PRINCIPLES

Why Do We Need Sustainable Agriculture Principles?

Agriculture, which started civilization by enabling societies to adopt a sedentary lifestyle, in the history of the world, is an important industry that is most affected by climate change and demographic mobility today. Today, agricultural production, which is the primary source of food needs of societies, is in danger of not being able to meet the food demand of the increasing global population.

The agriculture and food industry, which plays a role in the increase of methane gas and carbon emissions due to food waste, the unconscious use of natural resources, wild irrigation and improper fertilization, also plays an important role in triggering climate change. In the United Nations sources, it is stated that the food industry is responsible for 30% of global energy consumption and greenhouse gas emissions.

The agricultural industry also includes food, livestock, textiles, energy and more. Sustainability of agriculture and creation of a circular economy have become the common goals for many sectors. While unconscious agricultural practices are a factor that accelerate climate change, they also seriously endanger human health and the sustainability of many industries. Furthermore, unconscious agricultural practices contribute to inefficient uses of water resources and additionally damage the structure and quality of the soil, causing a decrease in biodiversity as a consequence.

Today, sustainable agricultural practices and environmental policies are on the agenda as an issue that the whole world should work together on, to ensure the continuity of natural resources and food security. In order to adapt to the consequences of climate change and to reduce the effects of this change, the sustainable use of natural resources in production has become a necessity rather than a project carried out by companies voluntarily.

At Anadolu Etap, with this responsibility, we published the “Sustainable Agriculture Principles” in 2014 that we apply to all of our operations and operation processes, which is a first in the Turkish agricultural industry. In parallel with this study, in which we examine the social, economic and environmental impact parameters of our business in detail, we carry out regular audits and improvement projects on all of our farms and plants. Details of these applications are in the relevant sections of our report.

Sustainable Agriculture Principles:



SOCIAL SUSTAINABILITY

- A** Employee and Worker Rights and Labor Environment
- B** Education
- C** Relations with the Local Community



ECONOMIC SUSTAINABILITY

- A** Management System and Records
- B** Financial Stability
- C** Site Selection and Management
- D** Harvest and Post-Harvest Management
- E** Business Ethics
- F** Liability



ENVIRONMENTAL SUSTAINABILITY

- A** Soil
- B** Water
- C** Biodiversity
- D** D. Agricultural Inputs
- E** Energy
- F** Waste Management

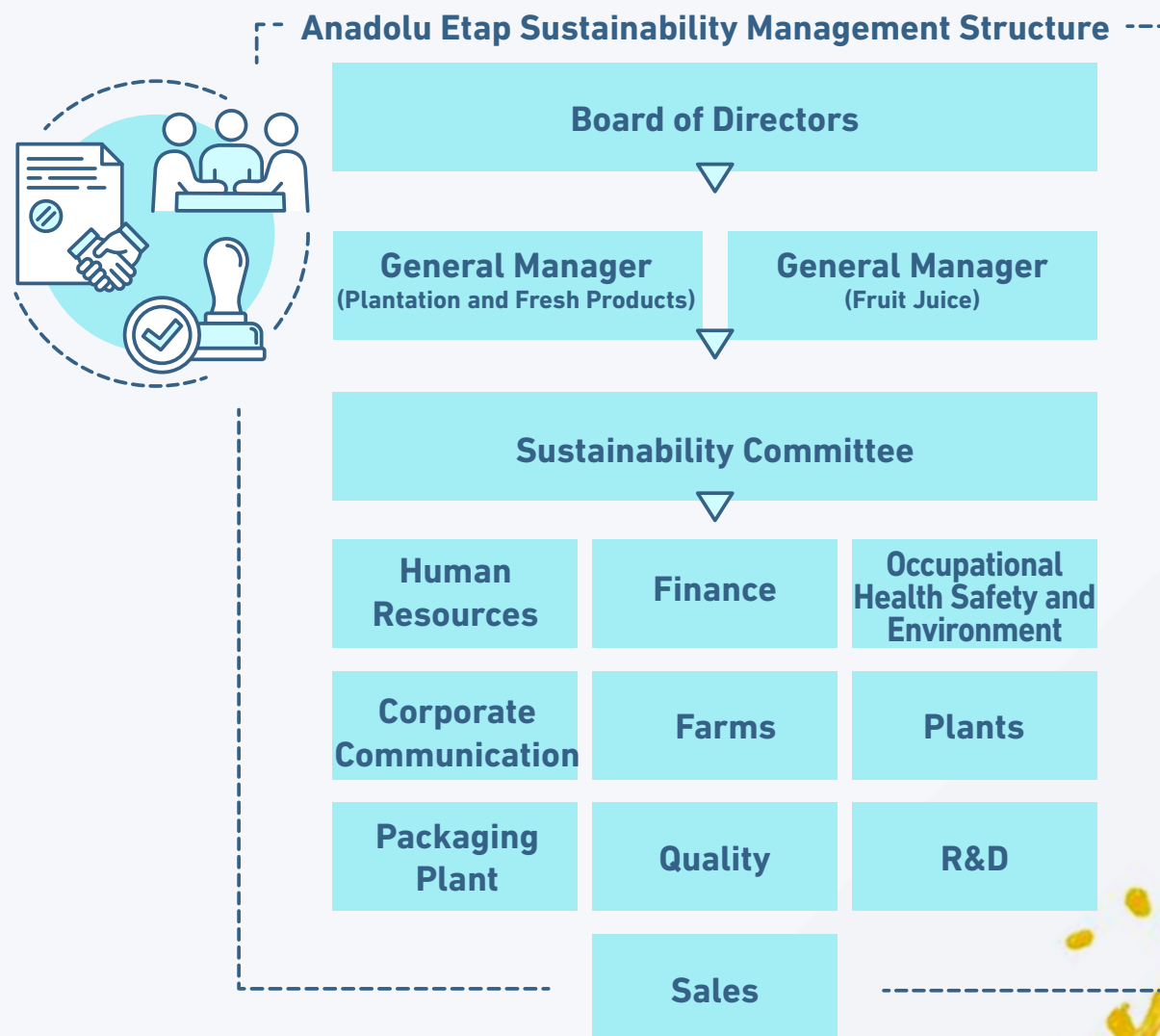


As the first agricultural company in the Turkish agricultural industry to prepare and publish the **Sustainable Agriculture Principles** with its stakeholders and implement it in its operational processes, in 2020, we signed the **United Nations Global Compact** and committed to conducting our sustainability efforts in line with international principles. We continue our activities with the aim of conserving the ecological balance, providing a sustainable working system from farmer to producer, supporting regional development, spreading our sustainable agriculture and quality standards among our stakeholders, and thus contributing positively to the lives of future generations.

SUSTAINABILITY MANAGEMENT STRUCTURE

At Anadolu Etap, we conduct our sustainability activities with the Sustainability Committee, which reports to our General Managers. This committee consists of elected representatives from all departments. The Sustainability Committee is responsible for determining the sustainability goals, making the necessary investment decisions for the realization of these goals, realizing the relevant practices, publishing the sustainability report regularly and ensuring the flow of information with the stakeholders.

The Committee meets regularly, every two weeks during the report preparation period and quarterly for the rest of the year and conducts review discussions. It reports the progress towards the targets to the Board of Directors annually through our General Managers. There is a share of success in sustainability goals, which are in line with the strategic goals of the company, in senior management performance evaluations.



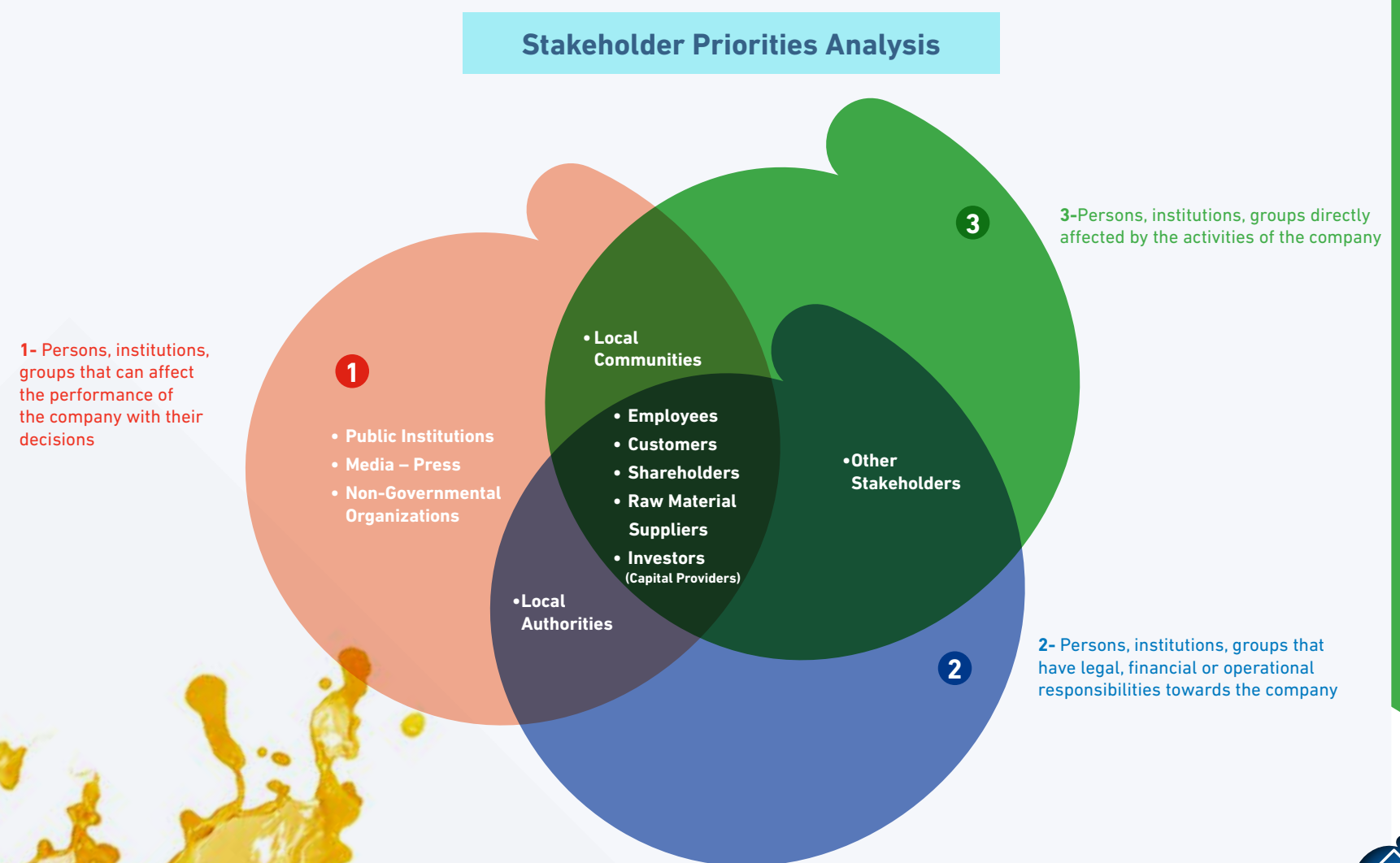
COMMUNICATION WITH OUR STAKEHOLDERS

At Anadolu Etap, we see our key stakeholders as individuals and institutions that have legal, financial, or operational responsibilities towards our company, who are directly affected by our activities and whose decisions can have an impact on our company's business goals.

The Process of Identifying Our Key Stakeholders

In the review meetings we held with our Sustainability Committee in 2020, we discussed our stakeholders in two groups. You can examine these groups in the diagram below.

There are various dialogue platforms at Anadolu Etap in order to establish effective and regular communication with key stakeholders who closely affect sustainability strategies, and other stakeholders who may have indirect effects. Our Stakeholder Communication Platforms table can be found [here](#).



MATERIALITY ANALYSIS

As Anadolu Etap, we conduct surveys and face-to-face interviews with the engagement of our different stakeholders in order to review our sustainability priorities and evaluate the performance of the previous year at the beginning of each reporting period.

Summary of Stakeholder Engagement and Prioritization Studies Conducted at Anadolu Etap to Date

Report Name / Period of Study	Studies Performed	Stakeholders We Get Feedback From and Global Initiatives We Compare With	Number of Topics We Prioritized
2020 Sustainability Report 1-2021 first quarter 2-2021 second quarter	1-By comparing the industrial expectations of the listed global initiatives with the Anadolu Etap Strategic Focus Areas, we have considered the issues that stand out as common in all initiatives. 2-Online sustainability prioritization survey (We have listed the common issues that emerged in the initial analysis and also presented them to our clients in a format where open-ended topics can be added.)	1- GRI Food Producers Industry Annex SASB Sustainability Accounting Standards (Beverage and Agriculture annex) EBRD Performance Standards IFC Standards EU From Farm-to-Fork Principles 2- Our seven key customers*	9 high priority 2 medium priority
2018-2019 Sustainability Report 1-2020 second quarter 2-2019 third quarter	1- Covid-19 online survey** 2- Review with meetings	1- 52 external stakeholders consisting of customers and suppliers 2- Sustainability Team members	10 high priority 4 medium priority
2017 Sustainability Report 1-2018 second quarter	1-Sustainability priorities research; online survey and face-to-face interviews	A total of 170 stakeholders (132 Anadolu Etap employees and 38 national and international external stakeholders)	7 high priority 11 medium or low priority

*Top Three Common Priorities of Our Key Customers

- 1 - Food Safety and Quality (raw material and production quality in Anadolu Etap operations and traceability in the supply chain)
- 2 - Supplier Social and Environmental Impact Assessments (workforce/human rights, water efficiency, waste control)
- 3 - Biodiversity and Soil Conservation Other Topics of Equal Importance on Average
- 4 - Waste, Energy, Water Management and Community Investments Additional Expectations in Response to the Open-Ended Question Compliance with EU Standards and carbon footprint calculation

**Covid-19 Online Survey

We conducted an online survey specific to Covid-19 in order to determine the impact of the Covid-19 epidemic, which has affected the whole world, on operation processes and to learn about the changing sustainability expectations. With the survey, Anadolu Etap's sustainability performance, the awareness created by the stakeholders regarding its sustainability studies, the impact of these studies on the corporate success of the stakeholders in the industry, and the success of the company's efforts to combat the pandemic during the Covid-19 process, have been considered. Although we conducted this survey in 2020, we included the details of the survey in our 2019 sustainability report, since the epidemic started at the end of 2019.

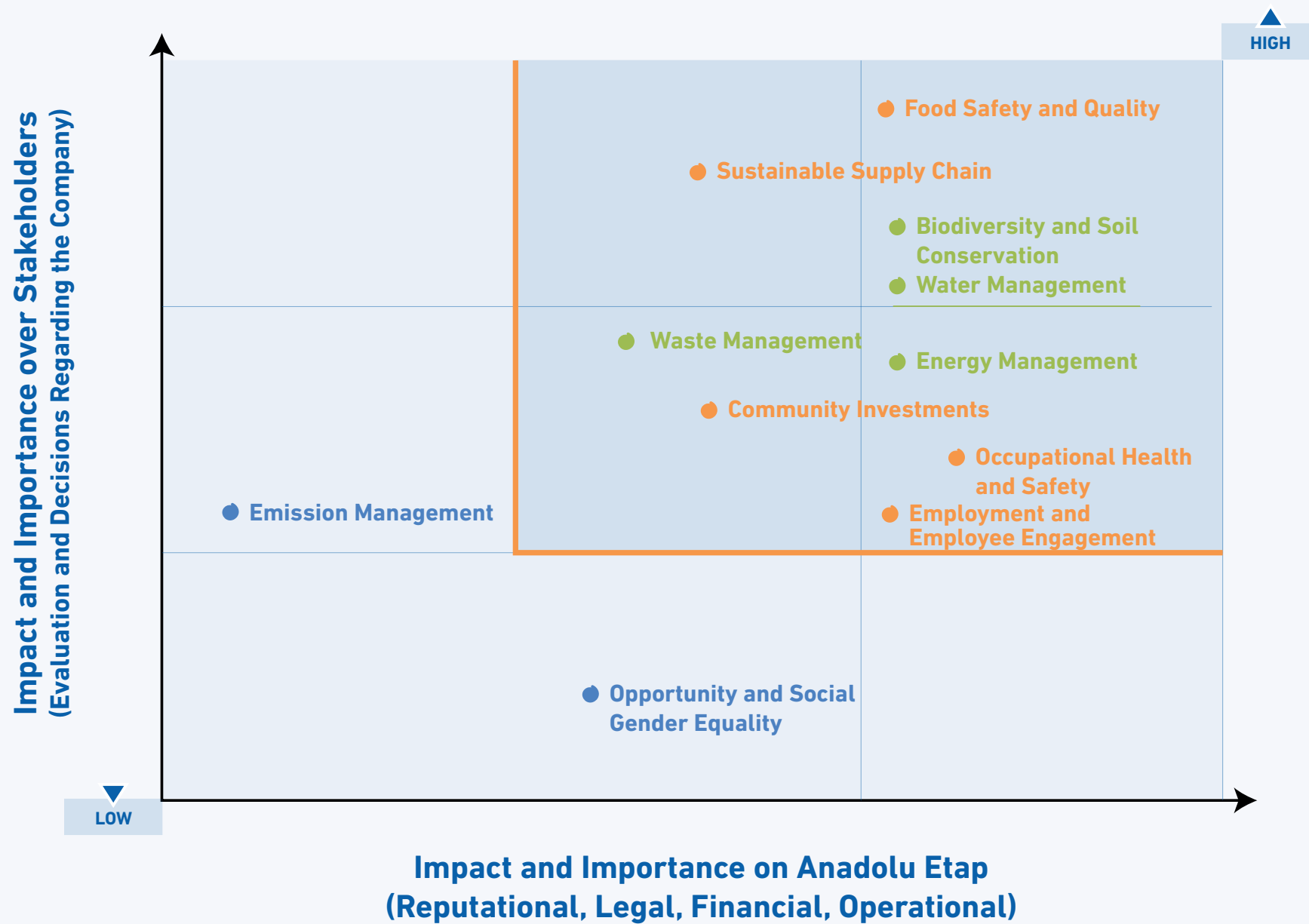


Our Sustainability Priorities

We have updated our Anadolu Etap Sustainability Priorities Map because of the surveys and analyzes we have carried out, taking into consideration the work we have done in the previous years.

We aim to review our focus topics, which we have determined by taking the opinions of our stakeholders and customers, every two years in the upcoming period.

Anadolu Etap Sustainability Priorities Map



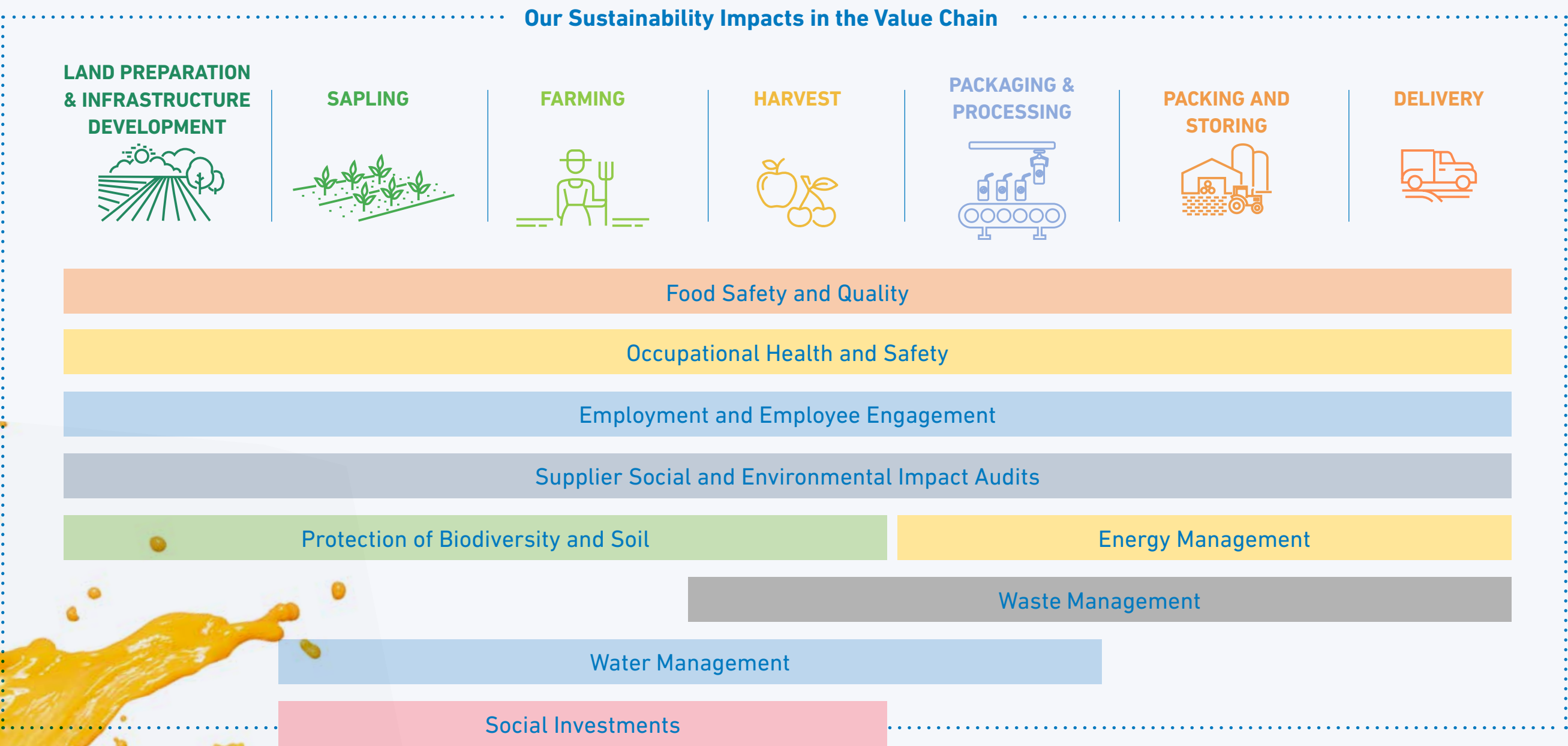
Reasons for Our Customers to Prefer and Recommend Anadolu Etap (2020 Sustainability Prioritization Survey)

- ✓ Professional implementation of FSA standards for highest quality
- ✓ Contributing to inter-communal, social and economic development
- ✓ Being environmentally friendly and producer-oriented
- ✓ Being a reliable company worldwide with its quality products
- ✓ Being extremely sensitive to the environment
- ✓ Institutional structure and understanding of quality
- ✓ Contributing to sustainable agriculture and exports
- ✓ Food safety, quality and traceability features

OUR SUSTAINABILITY IMPACTS IN THE VALUE CHAIN

The chain of activities, that we manage end-to-end at Anadolu Etap, covers all processes from field studies to relations with public institutions and organizations, from labor resources to suppliers, from the management of social and environmental impacts in farms and plants to the packing of our products, domestic and international customer management and sales-marketing operations.

We deliver our products to our customers through different logistics channels by completing our harvesting, commercial raw material procurement, packing, storage, fruit juice, concentrate and puree production operations in-house and together with our collaborating producers. In each step of these processes, we implement quality management until our products reach our customers.



OUR SUSTAINABILITY GOALS

Anadolu Etap senior management reviewed the strategic focus areas in 2020 and determined its corporate goals under seven main headings. These titles are Sustainability, Operational Excellence, Customer Focus, Digitalization, Employee Engagement, Sustainable Cash Management and Creating Value for Shareholders.

Details on our strategic focus areas, including our sustainability priorities, are given in the table below:

Our Strategic Focus Areas	Our Goals	Our Sustainability Priorities	Our Sustainability Tracking Metrics
 Customer Focus	To create a quality-oriented, competitive process, organization and culture that meets customer and market expectations	Food Safety and Quality	Quality index
 Employee Engagement	To create a work environment, work culture and managerial systems where employees can reveal and perform to their potential.	Employment and Employee Engagement	Employee engagement rate Turnover rate Development plans realization rate
 Sustainability	To create an ecosystem that contributes to our customers and all of our stakeholders by positioning social, economic and environmental sustainability as the core values of our business model.	Community Investments Occupational Health and Safety Sustainable Supply Chain Water Management Energy Management	Number of sustainability projects Labor loss rate (occupational accidents) Supply chain governance index Water consumption amount Energy consumption amount



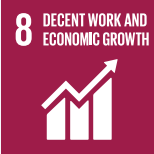



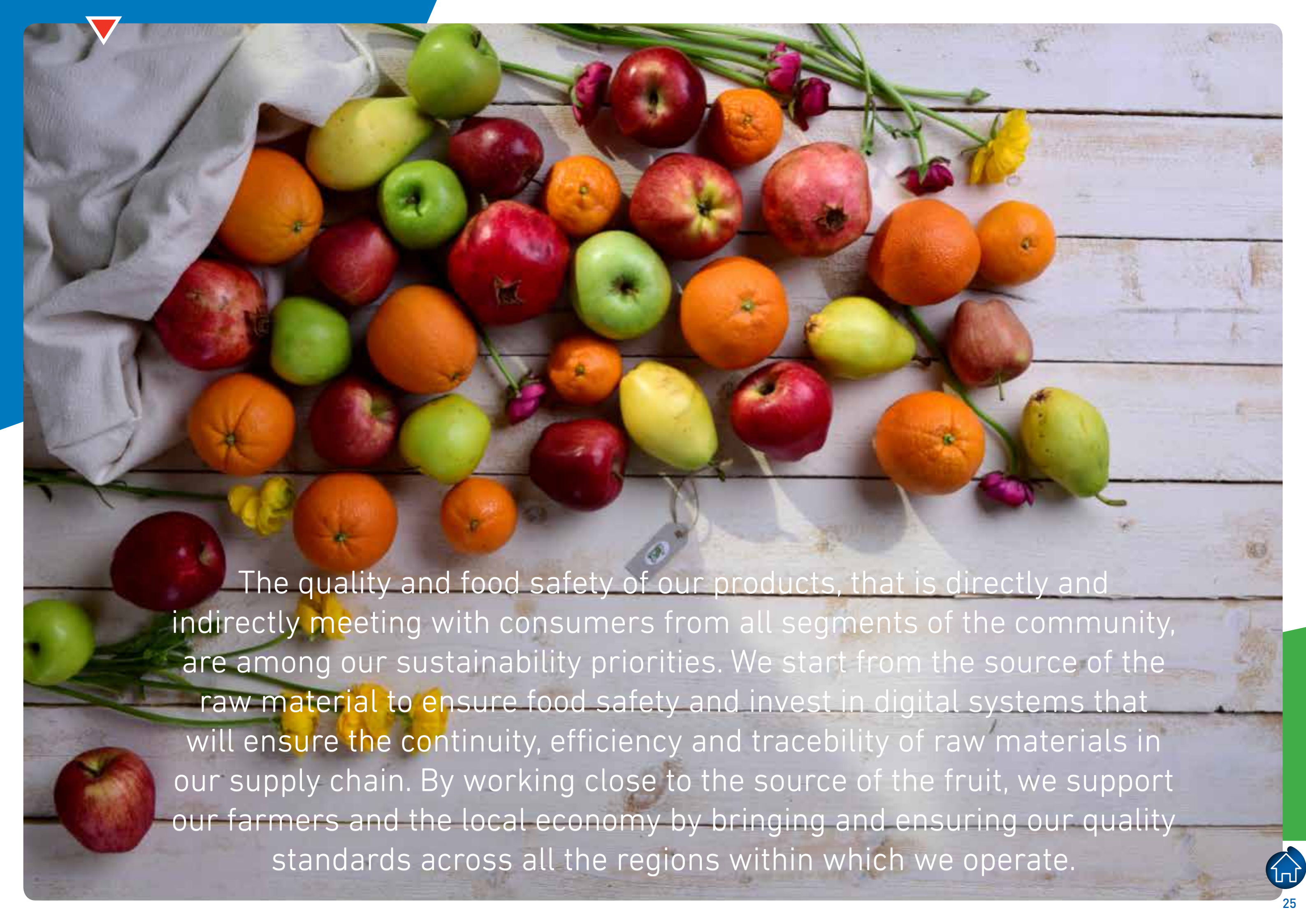
OUR CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

At Anadolu Etap, we conduct our sustainability activities by adhering to our sustainability priorities that we have determined together with our key stakeholders. We conduct our business in compliance with the United Nations Global Compact, to which we are a signatory since 2020, and expand our practices that will support the sub-goals of the United Nations Sustainable Development Goals.

We've directly contributed to the UN Sustainable Development Goals with 27 projects we've realized between 2015-2020 at Anadolu Etap. You can review the projects we have implemented in accordance with the UN SDG in Anadolu Group's **"Anadolu Group Sustainable Development Goals Alignment Report"**.

The SDGs we support within the scope of our strategic priorities and ongoing projects, practices, and audits in 2020 are listed in the table below:

Sustainable Development Goal	2030 Sustainable Development Goals Supported by Our Activities	Our Prioritized Topic	Projects, Implementations and Audits We Conducted
 SDG 2 End Hunger	2.4. Ensuring sustainable food production systems and implementing resilient agriculture practices that increase productivity and production, help protect ecosystems, strengthen capacity to adapt to climate change, extreme weather conditions, drought, floods and other disasters, and progressively improve land and soil quality	Biodiversity and Soil Conservation	Natural Forestation Anadolu Etap Sustainable Agriculture Principles Anadolu Etap Digital Agriculture Applications
 SDG 4 Qualified Education	4.4. Substantially increase the number of youth and adults with the skills necessary for employment, decent work and entrepreneurship, including technical and vocational skills	Community Investments	AgroAkademi Trainings AgroBurs
 SDG 8 Decent Work and Economic Growth	8.4. Increasingly improving global resource efficiency in consumption and production, striving to decouple economic growth in line with Sustainable Consumption and Production Models from environmental degradation. 8.5. Access to full and productive employment, decent work and equal pay per occupation for all men and women, including youths and persons with disabilities	Sustainable Supply Chain Community Investments Occupational health and Safety Employment and Employee Engagement	Supplier Social and Environmental Audits MİÇÖ Covid-19 Precautions and Practices AgroAkademi Trainings
 SDG 12 Responsible Consumption and Production	12.2. Ensuring the sustainable management and effective use of natural resources 12.3. Halve global per capita food waste at the retail and consumer level and reduce food losses within the process of production and supply chain activities, including post-harvest losses	Food Safety and Quality Waste Management Wastewater Management Water Management Energy Management	Our Quality and Food Audits Concentrated/New Product Production from Pomegranate Peel Juice Production of Polyhydroxyalkanoate (PHA) Biopolymer from Fruit Processing Industry Wastewater Project of Increasing Irrigation Efficiency with Lateral Correction Application Water Recovery Fruit Washing System Project LED Conversion of Lighting Systems



The quality and food safety of our products, that is directly and indirectly meeting with consumers from all segments of the community, are among our sustainability priorities. We start from the source of the raw material to ensure food safety and invest in digital systems that will ensure the continuity, efficiency and traceability of raw materials in our supply chain. By working close to the source of the fruit, we support our farmers and the local economy by bringing and ensuring our quality standards across all the regions within which we operate.

FOOD SAFETY AND QUALITY

Anadolu Etap has built its quality and food safety policy and commitment on human and nature-oriented, reliable, sustainable, and entrepreneurial foundations. With our vision of “healthy fruits for healthy generations”, we work to produce safe food with sustainable agricultural practices, to expand sustainable agriculture and to make healthy food accessible to everyone.

Our Guiding Principles in Ensuring Food Safety and Quality

We produce safe products of high quality that will meet national and international legal requirements in accordance with quality, food safety and customer expectations.

We work to produce safe food with sustainable agricultural practices, to expand sustainable agriculture and to make healthy food accessible to everyone, with our vision of “Healthy fruits for healthy generations”.

We carefully select the source of our products with our process planning and supplier development programs to ensure safe fruit source/supply of high quality.

We verify the compliance of our suppliers with our quality standards through effective traceability and quality-control in our production.

We focus on efficient processes that add value to our business and increase customer satisfaction, in our production and purchasing operations.

We search for industrial opportunities and incorporate good practices and technologies into our processes. We make regular comparisons to ensure our competitive advantage and the continuation of our successes within the industry.

We support studies that will improve and develop our operations and productions. We provide our employees with the knowledge, experience and the right tools they need for their professional development.

Our Quality Systems

Anadolu Etap has built its quality and food safety policy and commitment on human and nature-oriented, reliable, sustainable, and entrepreneurial foundations.

All our plants have ISO 9001, ISO 27001, ISO 45001 certificates and all our products have FSSC 22000, BRC, IFS, Good Agricultural Practices and organic production, GlobalG.A.P. quality certifications as well as Halal and Kosher approval.

Our plants are subject to regular ethical and occupational health and safety audits by international, independent organizations and have certificates of conformity in this context.

We produce all of our fruit juice products in accordance with AIJN standards, and we continue to work in close contact with SGF (Schutzgemeinschaft der Fruchtsaft Industry), IFU (International Fruit and Vegetable Juice Association) and MEYED (Fruit Juice Industry Association), of which we are members of.

In addition to our quality standards in production, we also use sustainable agriculture techniques that are sensitive to humans, nature and soil, and that can be monitored at every stage, and we monitor and record every moment of our production stages with information systems.

Consumer Health and Well-being

We conduct continuous improvement and development studies in our production plants based on customer satisfaction, legal requirements, food safety and quality management systems. Competent experts in the field of analysis, pesticide, microbiology, sensory and similar tests are carried out in all Anadolu Etap plants, farms and plants.

In 2019, we transitioned to the QDMS system, known as the Integrated Management System, in order to digitize and manage the documents and activities required by the food safety, quality, occupational safety, environment, and information security management systems. With the transition to this system, we have monitored and guaranteed the quality and food safety with traceable and foreseeable big data analyses.

With all of these studies, we, as Anadolu Etap, maintain traceability until the very last stage, with the analyses we make before the harvest and the controls in the warehouse and packaging processes. We produce according to GlobalG.A.P. and Domestic Good Agricultural Practices in all our farms.



SUSTAINABLE SUPPLY CHAIN

We conduct our supply chain operations, which is one of the important foci of economic sustainability, in accordance with our sustainable agriculture principles. In our procurement and purchasing processes, which we manage separately for our Plantation and Fresh Products and Fruit Juice operations, we regularly audit and evaluate our suppliers based on their quality, price, environmental and social factors. We regularly review all processes according to the outputs and results of these audits and evaluations, and thus plan and implement the improvements we deem to be appropriate.

Raw Material Continuity, Efficiency and Traceability

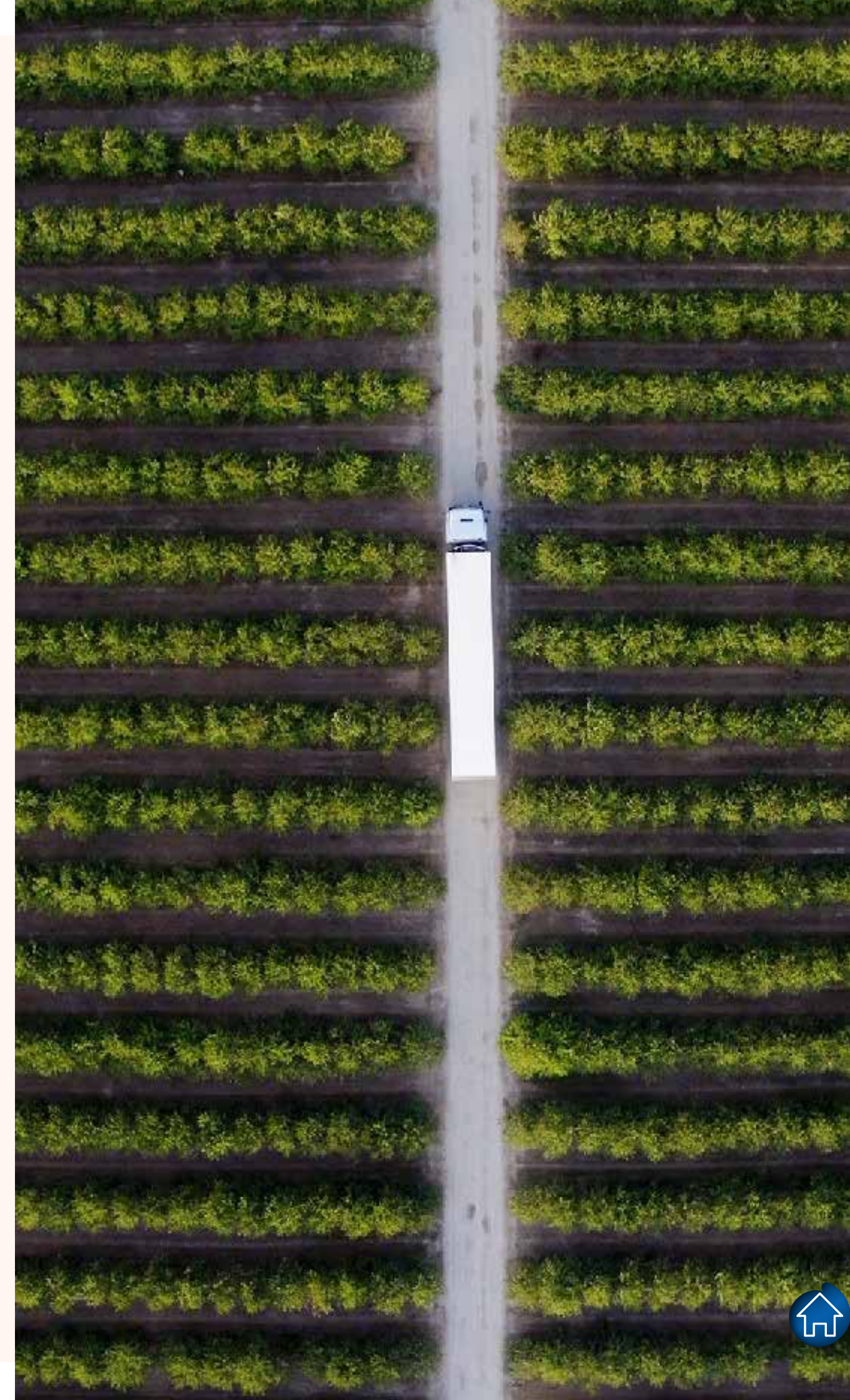
At Anadolu Etap, which serves over 65 countries with fresh fruit and fruit juice products, the continuity, efficiency and traceability of raw materials are among our most important sustainability priorities. At Anadolu Etap, which meets the healthy food needs of society with international quality standards, we work with a planned, traceable and foreseeable business model in all of our processes, including our production, supply chain and logistics operations, to ensure the efficiency of the raw materials supplied and to ensure the continuing maintenance of this sustainable quality.

At Anadolu Etap, we obtain our raw materials for our fresh fruit and juice operations from eight farms, located in six different regions of Turkey, and from contracted orchards that meet our quality criteria and where we can also practice sustainable agriculture. Our company, which applies its own quality criteria in its contracted gardens, with its own agricultural experts and audits, also purchases commercial raw materials from almost four thousand villages in Turkey. By making our commercial purchases according to our quality and food safety criteria, in doing so, we also support the local economy and our farmers by gaining producer-farmer trust and rapport through the purchasing process, which protects the farmer and ensures continuity.

With the principle of “working close to the source of the fruit”, we also work with fruit-packing houses in many regions of Turkey. By positioning our own fruit juice plants, fresh fruit packing house and contracted packing houses, close to the source of the raw material, we guarantee Anadolu Etap’s quality and freshness, both in our fruit supply and in our production and packaging operations.

We can minimize fruit loss while transferring our raw materials, from the garden to the plant and packing house, by transporting all of the raw materials that we supply to the closest packing house and plant, without disturbing the cold chain. With this business model, we also contribute to the improvement and development of regions and our farming by implementing international standards in quality, storage, production, processing, employment, and logistics to the regions where we operate.

At Anadolu Etap, at every stage in fruit production and supply, our raw materials are quality-controlled and analyzed in accordance with international standards and certification criteria, so that we can deliver our products to our customers with the assurance of high-quality standards. Simultaneously, we can manage the continuity and efficiency of the raw materials, of which we record every moment with ERP systems, in a traceable, foreseeable and plannable way, based on our digital data.



Traceability

Our raw materials are under record with ERP

At Anadolu Etap, we started to manage all of our processes through the cloud-based ERP system in 2019, in order to ensure end-to-end traceability of the operation process - from irrigation, pruning, planting, fertilization, plant production, packaging, supply chain and logistics operations that we carry out in our farms.

With this system, we record every stage of the production, quality, and supply chain. Thus, we provide end-to-end digital traceability in all processes from farm to customer. We make all of our managerial decisions, economic initiatives, and sustainability actions by utilizing the analysis of big data, consisting of the digital data from this system.

With this system, all processes have become traceable, foreseeable and measurable. In addition, we have ensured that the general needs of the soil and the needs of each individual tree are followed by customizing, using the production resources efficiently (without disturbing the ecological balance), and delivering the products to the customer with high-quality standards from the farm.

Efficiency

Because of the importance that we attach to the continuity and efficiency of raw materials, we have reached a fruit processing and supply volume of 350,000 tons in 2020, with our principle of working close to the fruits in every region of Turkey.



Anadolu Etap Supply Chain Structure

Plantation & Fresh Products Operation Unit Suppliers

In our Plantation and Fresh Products Operation Unit, the procurement processes are managed by the joint technical purchasing unit. The technical purchasing processes are separated into two main classes: Central Suppliers are the supplier groups where agreements, negotiations, price, and supplier performance evaluations are made by the central purchasing team, and cost advantage is evaluated at the highest level. Local suppliers are the groups of suppliers that are in the regions, from which service is provided for smaller scales and instant operational needs. Performance, quality, service level, cost advantage is evaluated. Local suppliers account for 31 percent of the technical procurement budget, as local sourcing and procurement is seen as a strategy to support the local economy.

Fruit Juice Operation Unit Suppliers

Our Fruit Juice Operation Unit technical purchasing processes are carried out with the same business approach in all three of our plants. It is ensured that all the materials entering the plant, with defined specifications, are in the desired parameters in terms of quality, price, delivery time, payment method and other related criteria. Our fruit juice technical purchasing unit, which categorizes our suppliers into four main groups as Group A (suppliers of critical spare parts with direct inputs to production), Group B (critical service providers), Group C (all suppliers other than A and B group suppliers) and Group D (fruit), evaluates our suppliers with different parameters according to this classification. The rate of working with local suppliers of our Fruit Juice Operation Unit technical purchasing department does vary on a plant-to-plant basis, but is around 30 percent on average.

Social Impact Audits at Anadolu Etap as a Supplier

With the employment, occupational health and safety practices, working environments that comply with international standards, and ethical business practices that we create at Anadolu Etap, we take part in sustainable participation of the agricultural workforce in the economy, in cooperation with many public institutions and independent organizations, in Turkey and around the world.

Our company is regularly inspected both from within its own body and by international independent organizations, to certify the human-oriented corporate values and the decent working conditions we create in its farms, plants, and packing houses.

SEDEX Members Ethical Trade Audit (SMTEA)

As Anadolu Etap, we joined the Supplier Ethics Data Exchange (SEDEX) platform in 2018, and made our practices transparent with this globally recognized online platform that allows detailed information about our social and ethical performance in working environments to our customers and stakeholders.

SEDEX is an organization created for organizations operating in the global supply chain. This non-profit organization works on responsible and ethical business practice improvement processes in the global supply chain.

Fruit juice plants in Mersin, Denizli and Isparta have passed the SEDEX Members Ethical Trade Audit (SMTEA) ethical compliance audits, and it has been documented that the plants operate in accordance with human rights laws.

GLOBALG.AP Risk Assessment of Social Practices (GRASP)

GRASP supports producers in finding solutions to important social problems and raising awareness of these issues at the farm level. It is mainly based on document controls and is intended to assess social risks in primary production.

GRASP* consists of 13 Control Points and Eligibility Criteria:

1- 11 control points for individual producers and producer groups

- Employees' Representatives
- Complaints Procedures
- Statement on Good Social Practices
- Access to National Labor Regulations
- Employment Contracts
- Payrolls (2)
- Not Employing Minors
- Access to Compulsory School Education
- Time Recording System (2)
- Working Hours and Breaks

2- 1 additional control point for producer groups Quality Management Systems (QMS)

- Quality Management System (QMS) Integration

3- 1 checkpoint for suggested social apps.

- Additional Special Benefits

*GRASP Module – Turkey Interpretation Guide

Taken from version 1.3-1-i June 2020.



Combating Child Labor

According to TUIK's (The Turkish Statistical Institute's) fourth quarter data of 2019, 720,000 child workers between the ages of 5-17 work in Turkey. 30.8 percent of working children are in the agricultural industry. These children, whose population is approximately 220,000, are forced to work under extreme conditions in different regions of Turkey, particularly in cotton, hazelnut, citrus, rice, sugar beet, tobacco, etc. farming. These children, who are deprived of educational opportunities, live especially in the Southeastern and Eastern Anatolian Regions. They must spend 4-7 months of the year in tents and are deprived of basic needs.

We apply the "Prohibition of Child Labor and Forced Labor" act of the Sustainable Agriculture Principles document in all of our Anadolu Etap businesses without allowing any exceptions. Although we do not employ personnel under the age of 18 on Anadolu Etap farms, we initiated the MİÇO project in 2015 so that the children of seasonal migrant workers living with their families on their farms can continue their education and personal development without interruption. Detailed information about this project is available in the Community Investments section of this report, under the title of **MİÇO**.



COMMUNITY INVESTMENTS

At Anadolu Etap, while meeting the healthy food and nutrition needs of the community, we also conduct sustainable projects aimed at rural development, making the agricultural workforce qualified through qualified education, increasing the participation of women in the economy in line with gender equality and contributing to the education of children.

The fact that 75% of the 875 farmers participating in the AgroAkademi training program are women is one of the clearest indicators of the importance Anadolu Etap places on women's employment and development.



AgroAkademi

At Anadolu Etap, we strive to increase the knowledge and competencies of regional producers in agricultural production in all geographies where we operate, and thus include the products of local producers and farmers in our portfolio.

With this responsibility, we work to ensure the sustainability of the ecosystem we have created, to popularize modern fruit growing techniques and sustainable agriculture principles in our country, and to contribute to the economic and social development of the regions where our plantations are located.

In this context, we've established the "Anadolu Etap AgroAkademi" training center in 2012 to train women farmers, who have a high participation in the workforce in agriculture, to increase the quality of the women's workforce and to support their participation in the economy.

Since 2013, we have maintained training in cooperation with our program partners, including Bilgi University Executive Development Center in managerial training, and Ege University Horticulture Department in technical training. In our training programs, sustainable agricultural practices and modern fruit growing techniques are covered with theoretical and practical applications.

We could not conduct our AgroAkademi program training, which we gave on field to our farmers in the regions where we operate, in 2020 due to the pandemic conditions.





Anadolu Etap is the first agricultural company in Turkey to provide free and uninterrupted education to the children of seasonal agricultural workers (MiÇO) by opening schools on their farms.

MiÇO (Children of Seasonal Agricultural Workers)

Every year, thousands of families in Turkey periodically migrate to different regions of the country to work as seasonal migrant workers. Seasonal migrant workers, who have an important share in our country's agricultural workforce, are deprived of healthy living conditions in the places where they migrated from; we have determined that it is a community problem that their children cannot attend school and that their education is interrupted. To solve this problem in our farms, we started our MiÇO in 2015.

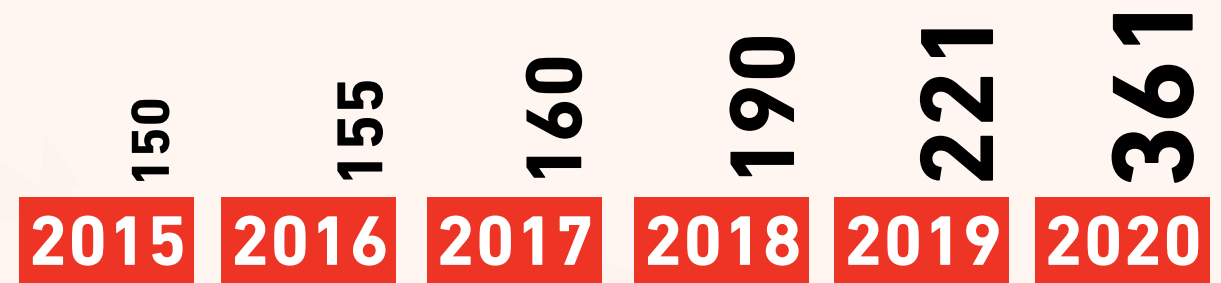
For the children who have to migrate with their families, in order to continue their education without interruption, we work with the Provincial Directorates of National Education and Public Education Directorates to enroll the MiÇOs staying in the lodgings on our farms to the nearest regional schools during the school term and ensure their transportation to their schools via the bus transport system. After the schools are closed, we provide education in different subjects and skills such as painting, handicrafts, music, physical education and Turkish to the children with teachers, appointed by the Public Education Directorates, from the schools we open on our farms.

Stakeholders of MiÇO

- Balıkesir Provincial Directorate of National Education
- Balıkesir Public Education Directorate
- Çanakkale Provincial Directorate of National Education
- Çanakkale Public Education Directorate
- Balıkesir Provincial Health Directorate
- Çanakkale Provincial Health Directorate
- The principals and administrators of the relevant regional schools
- Anadolu Etap employees



MiÇOs we have reached



At Anadolu Etap, by caring about agriculture, agricultural production and equality of opportunity in education for the future of our country, we aim to support the children of seasonal migrant workers, in order for them receive uninterrupted education, to make agriculture attractive for our young population, to contribute to the development of our human resources, and to play a role in guiding these children to serve the country's agriculture as qualified technicians, engineers, managers or entrepreneurs in the future.



MiÇO Project in 2020

We have implemented our project, which has been continuing uninterruptedly since 2015, in our Tahirova and Kumkale farms in 2020, while enforcing our high-level Covid-19 precautions - A total of 1,237 since 2015. In 2020, we supported the training of 361 MiÇO's. In 2020;

- Our schools were audited by the Provincial Directorates of Public Education and National Education before our education and training started in our farms.
- We completed the necessary maintenance and repairs of MiÇO training areas.
- We organized the classes according to the number of students, while considering the social distance rules; We have prepared a rotating education program among students.
- We enabled our MiÇO's to continue their education in the open air, by establishing outdoor training areas.
- We disinfected the classrooms in kindergartens daily with a disinfection device using silver ion technology. We followed the disinfection process and kept it under record.
- Our education was given by a total of 25 teachers appointed by the Provincial Directorates of National Education and Public Education Directorates.

We were deemed worthy of the "People Carrying Agriculture to the Future" award with our project and Covid-19 measures at the "Future of Agriculture and Forestry Summit", organized with the support of the Ministry of Agriculture and Forestry, in 2020.

50% of the scholarships we have given to the students of the Faculty of Agriculture (who have been studying at universities since 2014), in cash for 12 months, reach 50% male and 50% female students.

AgroBurs

It is perceived that the younger populations of the world, especially in Turkey, perceives the agricultural field as a traditional and closed area for development, and that there is a remarkable decline in their orientation to the agricultural sector.

The implementation of the right employment, education, and social policies that will direct the younger generations towards agricultural production is very important for the development and employment of young people living in rural areas.

At Anadolu Etap, we are aware of our country's need for qualified human resources to implement and develop smart agriculture and modern production technologies. We use our sectoral knowledge and experience to contribute to the youths' perception of the agriculture sector as an attractive profession - both to meet the needs of our country and to compete in global markets as the Turkish agricultural sector; In this way, we aim to increase the attractiveness of the agricultural sector among the young population.

At Anadolu Etap, we provide vocational high school students, as well as students studying in the departments of agriculture at universities, with the opportunity to be interns at our farms, plants, packing house and head office. We give priority to our scholars in intern quotas.

Every year, we provide scholarship opportunities and internship programs to a certain number of male and female students, in order to support the agricultural production and the future of our country - and we employ the successful students within the company.





At Anadolu Etap, where we conduct environmental sustainability studies in accordance with the **ISO 14001 Environmental Management System** and **United Nations Sustainable Development Goals**, thus, ensuring the efficient use of natural resources and the development of projects within this scope are among the annual performance targets of each operation unit. In 2020, a total of **1.4 million TL was spent on the environment and health of all aspects of our operation units of our company.**

BIODIVERSITY AND SOIL CONSERVATION

At Anadolu Etap, we conduct our biodiversity activities with the aim of reducing the effects of climate change, conserving the ecosystem, terrestrial life, fauna and flora, and improving the conditions that will adversely affect the biodiversity in all of our fields of activity.

We Conserve and Enrich Biodiversity! At Anadolu Etap farms, we give priority to the creation of lands with different product patterns and prevent harmful organisms and diseases from spreading and damaging the ecosystem. In this way, we secure the biological diversity in the regions where our farms are located and protect the surrounding natural life.

There are more than 60 types of experimental trees in our experimental plots, established in our Şanlıurfa, Adana and Çanakkale farms. We carry out studies to ensure the adaptation of these varieties to the climate and soil of the region, and by cultivating different types of products with these experiments, we offer variety and high-quality tastes to the consumers, while also contributing to the biodiversity of the region.

Dozens of fruit tree species and more than a hundred fruit types that we grow on our farms are grafted onto rootstocks (root systems) that are suitable for cultivation in different soil structures - selected in accordance to the seven different regions, in terms of climate characteristics, of Turkey. By this method, we add various fruit species, that we can obtain higher yields from, to the ecology of the region and enrich the biological diversity.

We Maintain the Natural Ecosystem in Our Farms!

We protect our fruit trees from the wind by natural methods, with the thousands of leylandii and paulownia trees we have planted around our fruit trees in our Balıkesir and Çanakkale farms. We protect the Plane trees and Trojan oaks in these farms. In addition, we maintain the natural ecosystem with more than 100 bird nests and more than 4,000 beehives in our farms.



BIODIVERSITY AND SOIL CONSERVATION

Our friend “Natural Forester”!

At Anadolu Etap, we firstly identify the wildlife, natural habitats, ponds, forested areas, and species that are in danger of extinction in and around our farms, then take them under protection and provide them with a habitat. We also take the necessary legal measures to prevent the hunting and/or smuggling of wild species living in these regions.

In this context, one of the species that we provide living, shelter and feeding areas on our farms for is the Anatolian ground squirrel, which is in the category of near extinction of the International Union for Conservation of Nature (IUCN) red list.

The Anatolian ground squirrels, which are frequently found in our Konya Karapınar farm and in the surrounding areas, and which are an indicator of the biological diversity of our country, are fed with fruit seeds. With their reputation for forgetting the fruit seeds they store in nature, they contribute to the natural spread of trees to many different regions by taking on the role of a “natural forester” for the life cycles of many trees.



We Preserve Our Soil with Smart Agricultural Technologies!

In Anadolu Etap, the regions in which we grow our fruit have very different climate and soil characteristics. With the smart agricultural technologies that we use (for example, frost control systems, wind blades, water-saving sprinkler systems and similar technologies), we turn the otherwise adverse climate conditions into more optimal and favorable conditions for the trees and fruits in these regions. By this method, we can minimize the yield loss and quality loss of our fruit. While these technologies do provide benefits in land preparation, weather monitoring and notification of disease and pest outbreaks, they also make it possible to use less water, agricultural inputs and energy.

Smart and sustainable agricultural practices (which are also important in regards to minimizing environmental pollution) contribute to the positive development of both the individual farmers' and the country's economy, and are also important in terms of healthy food production and consumption.





We Fight Pests With Natural Methods!

By using pheromone traps in all of our farms, we fight pests naturally via biotechnical methods. Thanks to our pheromone traps, we aim to eliminate harmful insects for each plant species and increase the number of beneficial insects.

In addition to our biotechnical control methods, we perform weed control in large areas quickly and reliably with agricultural machines equipped with sensitive sensors. We break down the weed and pruning wastes that harm the plants by methods that will ultimately return what is taken from the soil back to the soil, and we ensure that the soil regains their nutrients.

With the “mulch cover” we use on all of our farms, we ensure that our fruit trees and fruits benefit from the soil and the sunlight in the most efficient way. The mulch cover reduces the use of pesticides by preventing the growth of weeds; it reflects sunlight, enriching the color and ripening of the fruits and increasing their quality. At the same time, we are able to save on water by shortening the irrigation times in our farms because the mulch cover, which keeps the soil moist, also prevents the rapid evaporation of water.

Within the scope of our sustainable agriculture principles, we take, monitor, and implement all the necessary measures to ensure that the wastes arising from our agricultural, administrative and humanitarian activities are not disposed of in places such as streams, water canals and ditches located around our farms and businesses.

We Preserve Our Soil and Water with R&D!

At least three times per season, we collect two samples of nutrient-fortified water from our water sources and drippers. We analyze these two samples in private laboratories by taking samples from the blend of nutrients in the soil and plant leaves at the same time. With these analysis results, we are able to grow healthy plants and fruits by using water and nutritional supplements, as much as the plant needs, without exhausting the soil's composition according to the plant type, variety and age.



WATER MANAGEMENT

With the awareness of the limited water resources in the world, we manage the water supply and use in our farms, plants, and packing houses in a very transparent manner with strict conservative rules, within a clear planning. In our farms, we monitor the water needs of the soil and trees by measuring them with tensiometer devices, and create irrigation plans by following the climatic conditions and forecasts within each region.

According to the data of the 2030 Water Resources Group, which was established along with the cooperation of the public, private, and non-governmental organizations (hosted by the World Bank), one third of the world's population lives in water-stressed countries. It is estimated that this rate will increase to two thirds by 2025. According to this data, it is foreseen that the global water deficit will reach 40% by 2030. As of when this data was published, 900 million people in the world do not have access to clean drinking water, and about five million people die from water-borne diseases every year.

Worldwide, the agricultural sector is the industry that uses water the most, at 71%. This rate has reached to 73% in Turkey. Our country is among the countries that face the risk of water scarcity.

We use the drip irrigation method in all of our farms for effective and minimal water usage. We only provide as much water and fertilizer as the soil and trees need, with an automated

fertilizer drip irrigation method system, via our irrigation stations. We use water in the most resourceful way by constantly checking the water balance within the soil with soil moisture measuring devices. We check the data collected from these devices twice per working day and irrigate according to reference intervals. Simultaneously, we minimize the water evaporating by sunlight by watering at night on all of our farms.

Alternatively, In our plants, we implement projects for water saving and recycling, in line with our targets of reducing water consumption. We use our wastewater treatment plants in our plants very effectively. With the samples we take, we have the used water analyzed and we evaluate its recycling possibilities, so that we can maintain the operational efficiency and water usage at an optimal level.



Our Water Saving Projects that We Implemented in 2018 and 2019 and Ongoing in 2020



Project to Increase Irrigation Efficiency with Lateral Correction Application

With the fertilizer irrigation process that we implement in all Anadolu Etap farms, the fertilized water given to the trees is given to targeted areas that the plant roots can reach and benefit from, as the plants take back the water lost by transpiration with its high osmotic pressure in the roots. If the water cannot be given to the areas where the plant can absorb, the plant cannot benefit from the water and the water is wasted. The water supplied outside the plant's absorption area will evaporate. While some of the nutrients in the fertilizer will percolate into the depths of the soil; some of the nutrients will react chemically with other elements within the soil and remain in a form that plants cannot benefit from.

In Anadolu Etap, we installed a lateral correction system to further increase the efficiency of the fertilizer irrigation system and to save water. By maintaining the plant's absorption from water at an appropriate level, cost, water, and fertilizer usage are reduced. With this project, we increased irrigation efficiency by preserving the structure of the soil and plant.

Mersin R&D Center Water Recovery Fruit Washing System Project

With this project, which we designed in 2018-2019 and received TSE design registration in 2020, we aimed to develop a new system to prevent high volumes of water consumption in the process of washing fruits and removing foreign substances in our fruit juice plants. We designed an innovative and efficient washing line and ensured that the spent water was cleaned with our recovery system and reused in the plant, with this project.

With the system designed by Anadolu Etap's employees, we have enabled the washing and selection processes, which was previously done in 5 stages, with a single platform:

- with less water consumption
- with less electricity consumption
- with less malfunction and downtime
- with more efficient modern waste collection system
- to be carried out more innovatively and more efficiently



Outcome and Gains

- 63% savings in water consumption
- 30% savings in electricity consumption
- Reduction in food safety risks
- Ability to process more than one product at the same time in the juice line
- Prevention of 50% of production and food losses that may be caused by malfunctions

WASTE MANAGEMENT

Anadolu Etap has a waste management plan as a requirement of its compliance with the Sustainable Agriculture Principles. In addition to the waste management infrastructure necessary for the recycling and disposal of solid wastes and wastewater, we manage our waste in a way that does not harm the environment and human health, in collaboration with the organizations we legally cooperate with.

According to the waste management hierarchy, the first step is to prevent waste generation. At Anadolu Etap, our waste management policy is carried out to reduce the generation of waste, reuse the generated waste, recycle the waste, and obtain energy from the waste.

Organic Wastes

The type of waste with the highest rate among the wastes, arising from production activities in Anadolu Etap, is organic waste, which can be completely reused.

100% of the fruit wastes (pulp, stalk, seed, etc.), considered as organic waste, are recycled as animal feed in accordance with the European Union Commission's feed materials catalog numbered 68/2013, within the scope of waste management. Wastes such as straw and seeds are also used as raw materials in the food, cosmetics, and energy industries.

In 2020, we developed a product that was completely extracted from the pulp of citrus fruits from our by-product production line established in our Mersin plant and started its production.

Non-Hazardous Wastes

50 percent of the non-hazardous wastes arising from production are the treatment sludge formed as a result of the operation of the wastewater treatment plant.

As a result of the improvements made to prevent the waste sludge generated by the operation of the wastewater treatment plant, we prevent the formation of approximately 500 tons of treatment sludge every year.

With the project we developed for the use of sewage sludge as a conditioner or fertilizer in the soil, we removed the sludge from the category of waste and turned it into a usable product.

In addition, treatment sludge can be recovered in sectors such as cement and energy (biogas production).

Packaging and Other Wastes

100 percent of the packaging materials (barrels, pallets, etc.) used in fruit juice operations at Anadolu Etap are reusable and/or recyclable.

We also prefer recyclable materials in our plastic crates and cardboard boxes used for placing products on the market at our Balıkesir Gönen packing house.

We reuse the entire portion of the product packaging sent to the domestic market, which we can then collect back from the customers, until the end of the shelf life.

We deliver packaging wastes and other plastic, wood, cardboard-paper and metal wastes that have expired to licensed companies for recovery and recycling.

Recycling of Anadolu Etap Wastes in a Circular Economy

Organic Wastes

- As animal feed
- As a commodity to the food, cosmetics and energy sectors

Treatment Sludge

- As soil conditioner and fertilizer
- As a fuel in cement and energy sectors

Ash slag with heating system output

- As an alternative raw material in the cement industry

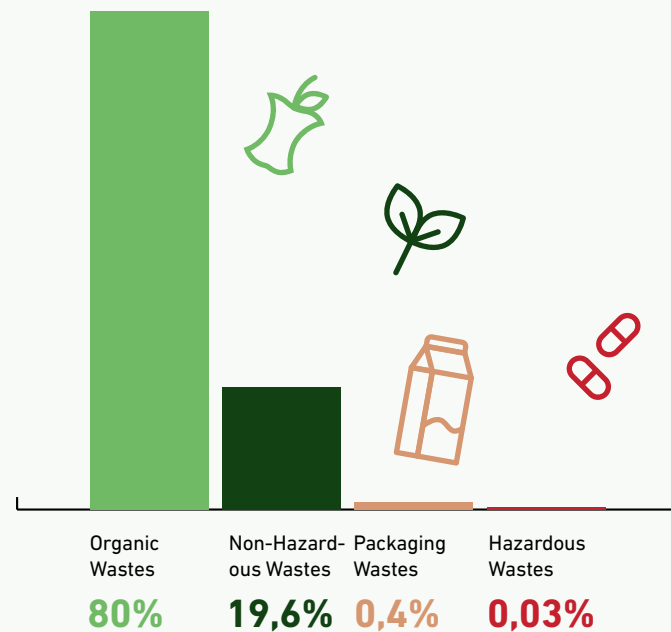


Hazardous Wastes

At Anadolu Etap, hazardous wastes originating from all operations are disposed of by licensed disposal organizations which we cooperate with.

We monitor our wastes through MoTAT (Mobile Waste Monitoring System) so that their potential environmental effects can be kept under control until they reach these institutions.

Waste Rates at Anadolu Etap 2020



Wastewater Management

100 percent of the industrial and domestic wastewater used in fruit juice production and environmental washing activities in our Denizli and Mersin plants is recycled at the wastewater treatment plant within the plants.

Wastewater discharged from our plants is treated in physical, chemical and biological treatment plants in accordance with its characteristics, in a way so it remains below the legal wastewater discharge limits, and its compliance with the standards is periodically checked.

The recycling process is carried out at the wastewater treatment plant within the Organized Industrial Zone (OIZ) where our Isparta plant is located.

Production of Polyhydroxyalkanoate (PHA) Biopolymer from Fruit Processing Wastewater

We started the project based on the information that the activated sludge in our existing wastewater treatment plant in our Mersin plant has a rich microorganism content and can be used biotechnologically in the production of biodegradable plastics in the plastics industry.

We have attempted to produce a biopolymer called PHA, which is a raw material to produce biodegradable plastics by recovering wastewater. We researched the industrial uses of the biopolymer (PHA) to be produced. We carried out the commercialization of the biopolymer.

The biopolymer obtained as a result of the project was tested by companies in the plastics industry, and by recovering the wastewater, raw materials that can be used in the production of biodegradable plastics were produced.

Concentrated/New Product Production from Pomegranate Peel Juice

We've added two new products to our portfolio as a result of a project we developed with the aim of obtaining a sellable, final product by recovering and recycling the pomegranate peel process wastes arising from the pomegranate processing productions in our Mersin plant. We've sold a total of 46 tons of this newly produced product in 2020, therefore, we were able to recover the processed wastes and, at the same time, provide commercial benefits to our company.



ENERGY MANAGEMENT

At Anadolu Etap, we evaluate and manage our energy consumption and energy-saving policies by considering all the types of energy we use. Thanks to the special projects and improvements to energy saving that we have implemented in our locations, we've achieved an increasing rate of energy savings over the years.

In agricultural operations, different energy sources are used according to different production and plant needs. The amount of energy needed may vary depending on the type of activity and the capacity of the plant. In this sense, the energy used in our farms, plants and packing houses is different in terms of its type and amount. All of our production plants are managed on the basis of optimum efficiency and energy savings, by taking this difference into account. Alongside the plants, logistics activities are also optimized in order to save fuel.

We give priority to the use of renewable energy sources in all of our farms and plants. We take the agricultural equipment we use in production into account by considering the energy efficiency values at the purchasing stage, and we check the stability of these values by performing regular maintenance on the equipment. In addition, we take care to reduce emissions thanks to management systems designed with the support of technology, in order to achieve high efficiency in the use of agricultural vehicles.

With this understanding, we've reduced our total energy consumption by 14% in 2020, compared to the previous year, in all our locations, including our farms, plants and packaging facility.

Energy consumption (MWh)



LED Conversion of Lighting Systems

We've replaced incandescent and fluorescent lamps and halogen projectors with LED lighting systems in some parts of our Mersin plant where there is a constant need for lighting. In the project, we aimed to meet the lighting need with less energy and to switch to a maintenance-free lighting system that lasts approximately 40 times longer than the existing systems.

We reduced the energy consumption from approximately 75,000 kWh per year to 28,000 kWh in the replaced parts, and we also saved on annual lighting, lamp replacement and maintenance costs.



As **Anadolu Etap**, which meets the healthy food needs of our country and more than **65 other countries** in the world, we derive our strength from our employees. We stand by them with an open, equitable and fair employment approach in every subject that will support employee engagement, especially health and safety, and we constantly listen to their ideas and suggestions via various communication platforms.



OCCUPATIONAL HEALTH AND SAFETY

In 2020, the total of our investments and expenditures on occupational health and safety has reached TRY 1,6 million. We provided our employees with more than 14 thousand hours of occupational health and safety training. In 2020, we received the TSE Covid-19 Safe Production Certificate at our two plants.

Occupational health and safety are a common understanding for all Anadolu Etap employees. With the participation of all employees, it is the clear goal of our company to ensure that occupational diseases and work accidents do not occur or be minimized by evaluating all risks in occupational health and safety issues.

With this aim, at Anadolu Etap, we implement our occupational health and safety policies and practices, which cover all processes starting from the production and supply of raw materials to delivering the final product, fresh fruit, fruit juice concentrate and fruit purees to our customers, in full compliance with legal regulations, and we constantly review and improve them.

In addition, as Anadolu Etap, we support all of our employees with regular training and briefings so that they can develop their skills and competencies in the field of occupational safety.

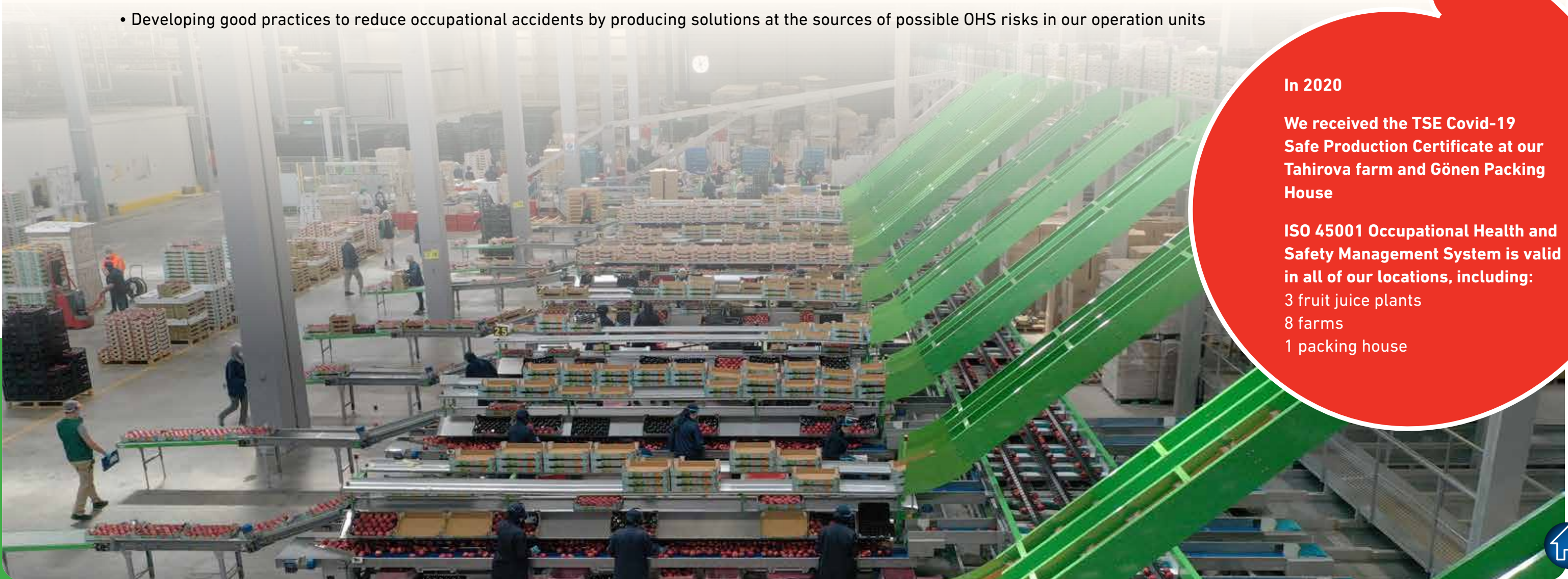
Our OHS Goals

- Completing the integration of the OHS-E documentation system of the Fruit Juice Operation Unit into the QDMS system, which is the in-house document tracking system.
- Developing good practices to reduce occupational accidents by producing solutions at the sources of possible OHS risks in our operation units

In 2020

We received the TSE Covid-19 Safe Production Certificate at our Tahirova farm and Gönen Packing House

ISO 45001 Occupational Health and Safety Management System is valid in all of our locations, including:
3 fruit juice plants
8 farms
1 packing house



2020 OHS Developments

In 2020, we included pandemic-related measures and measures within the scope of OHS. We formed a Preparedness Team and Emergency Committee specifically for certain locations, in order to provide the information and framework that will help our employees in our head office, eight farms, three plants, packing houses and R&D centers to recognize the Covid-19 pandemic, make the most appropriate preparations to fulfill their roles and responsibilities, and act in coordination in case of a positive case.

OHS Committees

There are OHS committees in all farms, plants and packing houses of Anadolu Etap. OHS committees meet regularly with a participatory approach, to ensure the continuous improvement of standards by taking the necessary actions in all matters related to occupational health and safety.

Health Examinations

At Anadolu Etap, we regularly conduct periodic health examinations for our employees every year. Employees working in pesticide applications have a cholinesterase enzyme test every year and continue to work with the approval of the workplace physician.

OHS Risks

- Risk factors arising from physical conditions (Working in noisy, vibrating, cold and hot conditions),
- Chemical risk factors (risks caused by the use of cleaning chemicals),
- Biological risk factors (Food and hygiene-related risks, wastewater treatment plants),
- Ergonomic risk factors,
- Mechanical and electrical risks

Occupational Health and Safety Trainings

The trainings given within the scope of occupational health and safety at Anadolu Etap are gathered under five main headings as general OHS trainings, health trainings, exercises, technical trainings, and current issues needed in operational processes.

Trainings and practices related to these trainings are carried out regularly and are audited by internal audits and independent organizations.

At all of our locations, we also receive training services from institutions outside the company in the following areas:

- Licensed waste transport service
- JHSU (Joint Health and Safety Unit) workplace physician service
- Periodic health check services health vehicle service
- Periodic machine equipment control service
- ISO 14001 and 45001 Processes Consultant support service



EMPLOYMENT AND EMPLOYEE ENGAGEMENT

At Anadolu Etap, which is one of the largest employers in our industry with more than four thousand employees, including our own employees and subcontractor staff, the human resources strategy is based on an open and transparent attitude that focuses on employee satisfaction, supports the development of employees, and that is open to new ideas. An equitable and fair approach that applies to all our employees in all of our operation processes and locations form the basis of our employment policy.

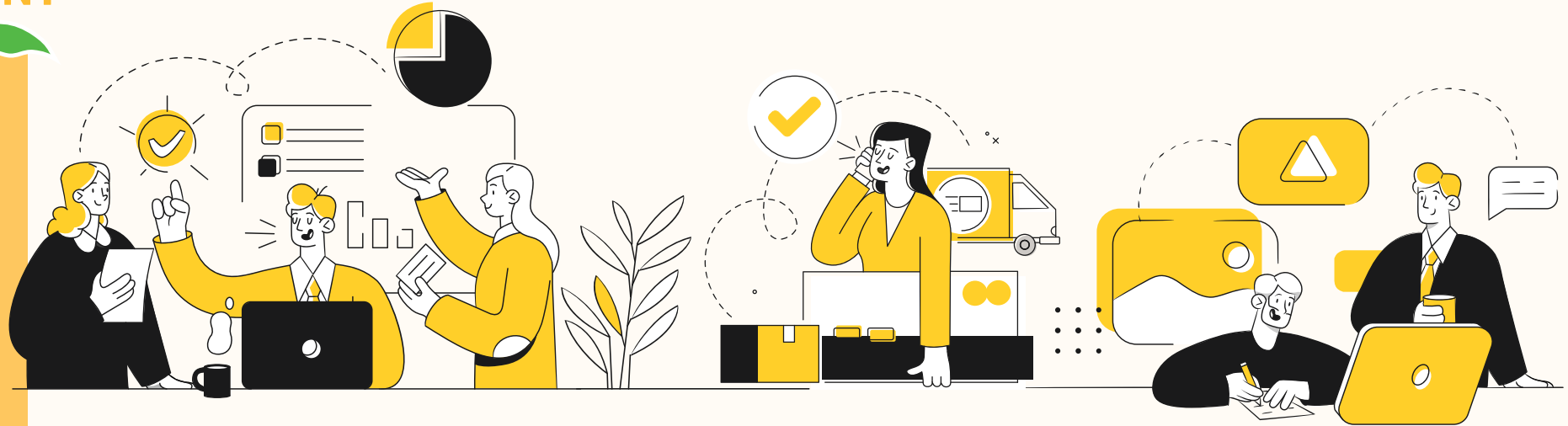
Human and Employee Rights

At Anadolu Etap, we care about the welfare of everyone included in our employment and the provision of their social rights. Forced labor and child labor are prohibited in our company, both by law and within the framework of human resources policies. We do not have any operations that pose a risk within the scope of freedom of association.

In Anadolu Etap, the title of “ending discrimination” has a special place in the content of the “sustainable agricultural principles” document to ensure that employment is free from all discrimination, particularly gender discrimination.

We have ethical compliance processes in place to prevent discrimination against employees in terms of age, gender, race, religion, language, ethnic origin, sexual orientation, belief, marital, socioeconomic status, disability, political opinion, participation in and membership in trade union activities, pregnancy or military service status in recruitment and throughout their working life (promotion, training, compensation, dismissal, wage and retirement).

Anadolu Etap Ethics Committee is responsible for resolving all notifications and complaints within the scope of human rights and discrimination.



Performance Management

Performance management at Anadolu Etap is managed by determining the rate of realization of individual operation and personal competency development goals set by each employee with their supervising manager, in connection with employee engagement, operational excellence and productivity priorities, and operation unit goals. All employees meet with a senior manager at regular intervals throughout the year and conduct interim performance evaluation meetings, where they provide mutual feedback on the targets they have set.

One hundred percent of white-collar employees throughout the company are subject to annual performance evaluation processes.

Opportunity Equality

At Anadolu Etap, which manages its employment in accordance with the Equal Opportunity Policy of the Anadolu Group, to which it is affiliated, we decide in the recruitment and promotion processes according to the experience, knowledge, ability, and qualifications required by the position and our organizational needs. We apply a remuneration and performance system based on transparent and objective criteria to all our employees and offer equal training and development opportunities.

We strive to create a suitable work environment by considering the needs and responsibilities of our disabled employees. As of the end of 2020, 14 disabled and three foreign nationals are employed at Anadolu Etap.

Women's Employment

While women labor force participation in the agricultural industry in developing countries is around 43 percent, this rate is 51 percent in Turkey according to TUIK (Turkish Statistical Institute) data. In believing that the participation rate of women in business life should be increased in agriculture and non-agricultural industries, 70% of the workforce working in Anadolu Etap's farms and 22% of white-collar employees within the company are women.

75% of the 875 farmers who have participated in the “Anadolu Etap AgroAkademi” training programs, which were established to ensure ecosystem sustainability and to offer new and more advanced standards for fruit growing, are women farmers. 50% of the scholarships given within the scope of AgroBurs are given to female students.

Training and Progress

We believe that one of the most important elements of corporate sustainability is qualified employees. For this reason, we provide various training programs to all of our employees to increase their behavioral, managerial, technical knowledge and skills according to their needs.

At Anadolu Etap, we conduct the training and development activities of our employees in line with defined objectives. Both face-to-face and online training can be organized for the special needs of operation units, or we organize them centrally due to needs such as talent management, corporate culture, company strategies and efficiency. We measure the effectiveness and efficiency of training during and after training.

We have increased our investments in digital and individual learning platforms in 2020 in order to respond to the rapid change especially during the pandemic period and to offer our employees continuous training and development opportunities that they can access whenever they want at Anadolu Etap - as being a company that maintains its activities in different regions of Turkey and in many different locations. In this sense, Success Factors and Journey applications, which are online applications that are used in common in all Anadolu Group companies, were among the personal digital training programs most preferred by our employees.

Employee Engagement

Employee engagement is one of Anadolu Etap's strategic focus areas and is monitored through six different key performance indicators. These are: employee engagement, turnover rate, assignment rate, succession risk rate (management level), development plans realization rate, and market wage position.

While our Human Resources Department make plans to carry the company into the future, it also evaluates the feedback and suggestions received from the "Employee Engagement and Satisfaction" survey, which all employees participate in every year.



Employee Communication Platforms



Anadolu Etap Ortak Akıl (Collective Mind)

Based on Anadolu Group's founding principles, we conduct our activities by integrating the ideas and suggestions of all employees into business processes with the Collective Mind project, which we started in December 2018, with the aim of achieving operational excellence. We continue our activities in our operation units with the goal of operational excellence and continuous improvement.

We create resources and tools that support the work environment, work culture, managerial systems, and commitment where our employees can reveal and develop their own potential.

With the Collective Mind project, we make the customer and quality-oriented culture in our company sustainable in all operation units, prevent losses in operational processes, develop new projects, create new markets and products, and strengthen our competitiveness by increasing our efficiency. As teams that support each other and work in cooperation, we move forward with the goal of seeking, creating, and implementing better, with a customer and quality-oriented perspective.

Bi Fikir (An Idea) Platform

At Anadolu Etap, all employees can also submit their suggestions and projects individually and/or as a team, through the Bi Fikir platform, which is implemented jointly in Anadolu Group companies. Suggestions that are then decided to be made into a quick application or project are rewarded.



OUR CERTIFICATES

Certificate Name	Certificate Description	 Plants	 Packing Plant	 Farms
Global G.A.P.	Global Partnership for Good Agriculture Practices			
Good Agricultural Practices	Good Agricultural Practices			
Organic Production (Ecocert)	Organic Agriculture and Production Certificate			
Halal (TSE)	Halal Certificate of Conformity to Islamic Diet			
Kosher (Denet Gıda)	Kosher Certificate of Conformity to Jewish Diet			
FDA (Registrar Corp)	Food and Drug Administration Conformity			
FSSC 22000 (USB ve Intertek))	Food Safety System Certification			
Sedex	Social Fitness Certificate			
GRASP	GLOBALG.A.P. Risk Assessment on Social Practice			
BRC	British Retail Consortium			
ISO 9001 (TRB Intl.)	Quality Management Standard			
ISO 14001 (TRB Intl.)	Environmental Management Standard			
ISO 45001 (TRB Intl.)	Occupational Health and Safety Management Standard			
ISO 27001 (TRB Intl.)	Information Security Management System			

OUR QUALITY AND FOOD AUDITS

External audits performed in 2020 are listed in the table below:

Lokasyon	Firma / Kurum	Denetim Amacı
All locations	EBRD	Occupational Health and Safety, Environmental Management, Business Ethics
Denizli, Isparta, Mersin Fruit Juice Plants	Intertek	Occupational Health and Safety, Environmental Management, Business Ethics
Denizli Çivril Fruit Juice Plant	Pulmuone	Plant Visit
Denizli Çivril Fruit Juice Plant	T.R. Ministry of Environment and Urbanization	Combined Environmental Audit
Denizli Çivril Fruit Juice Plant	TSE	Halal Food Audit
Denizli Çivril Fruit Juice Plant	TRB International	ISO 9001 and ISO 27001
Denizli Çivril Fruit Juice Plant	Provincial Directorate of Agriculture	Routine and Follow-up Audits
Denizli Çivril Fruit Juice Plant	Anshel	Badatz High Kosher
Denizli Çivril Fruit Juice Plant	Ecocert	Organic and Korean Organic Audits
Denizli Çivril Fruit Juice Plant	Nestle ve Mondelez	Supplier Audit
Denizli Çivril Fruit Juice Plant	Denet Gıda	Kosher Audit
Mersin Fruit Juice Plant	SEDEX	Occupational Health and Safety, Environmental Management, Business Ethics
Mersin Fruit Juice Plant	TRB International	ISO 14001 Environment and ISO 45001 OHS Management System

CORPORATE MEMBERSHIPS

- TÜSİAD Turkish Industrialists and Businessmen Association
- DEİK Foreign Economic Relations Board
- Sustainable Development Association
- Çanakkale and Balıkesir Chamber of Commerce and Industry
- Mediterranean Fresh Fruit and Vegetable Exporters' Associations
- FÜAB Sapling Producers Association
- Istanbul Fresh Fruit and Vegetable Exporters' Association
- MEYED Fruit Juice Industry Association
- Fruit Producers Association
- Uludağ Fruit and Vegetable Products Exporters' Association
- IFU International Fruit and Vegetable Juice Association
- SAI Sustainable Agriculture Initiative Platform
- SGF Fruit Juice Industry Protective Association (Schutzgemeinschaft der Fruchtsaft Industrie)

OUR STAKEHOLDER COMMUNICATION PLATFORMS










Our regular dialogue platforms that we use for all our stakeholder groups are listed below:

Our Stakeholders	Dialogue Platforms	Dialogue Frequency
 Employees	Anadolu Group Academy, Employee Satisfaction Surveys, Internal Stakeholder Platforms, Trainings, Performance System, Online Interviews	Regular/Frequent
 Customers	Newsletters, Face-to-face Meetings, Congress, Meetings and Panels, Online Surveys, Online Meetings	Regular/Frequent
 Shareholders	Board of Directors Meetings, Annual Reports, Performance Reports, General Assembly Meetings, Online Meetings	Regular/Frequent
 Raw Material Suppliers (Farmers)	Face to Face Meetings, AgroAkademi Trainings	Regular
 Investors (Capital Providers)	Board of Directors Meetings	Regular
 Other Suppliers	Supplier Meetings & Visits, Supplier Evaluation, Telephone and E-Mail Communication, Online Meetings	Regular
 Media & Press	Social Media, Newspaper, Magazine, Conference, Panel, Webinar, Brochure	Regular
 Local Authorities	Face-to-face Meetings, Congress, Meetings and Panels, Online Surveys, Online Meetings	Regular
 Public institutions	Visits, Industry Meetings & Reports, Face to Face Meetings, Brochures	Regular/Frequent
 Non-Governmental Organizations	Face-to-face Meetings, Congress, Meetings and Panels, Online Surveys, Online Meetings	Regular
Our Collaborations	Dialogue Platforms	Dialogue Frequency
 Universities	Career Day Meetings, University Club Events, Virtual Career Fairs, Online Meetings	Regular
 Consulting and Audit Firms	Face to Face Meetings, Meetings, Online Surveys, Online Meetings	Regular









SOCIAL PERFORMANCE INDICATORS







Employees by Gender

	2018		2019		2020	
	 Female	 Male	 Female	 Male	 Female	 Male
 Total number of employees	84	452	76	470	82	486
 White-collar	61	195	53	199	61	211
 Blue-collar	23	257	23	271	21	275







Employees by age

	2018		2019		2020	
	 Female	 Male	 Female	 Male	 Female	 Male
under 30 years old	36	111	26	105	32	109
30-50 years old	45	325	47	347	46	361
over 50 years old	3	16	4	17	4	16

Managers by Age

	2018		2019		2020	
	 Female	 Male	 Female	 Male	 Female	 Male
under 30 years old	0	1	0	1	0	4
30-50 years old	12	33	11	32	14	34
over 50 years old	1	6	1	8	1	8

Subcontractors

	2018		2019		2020	
	 Female	 Male	 Female	 Male	 Female	 Male
By gender	258	261	264	223	179	202



SOCIAL PERFORMANCE INDICATORS

	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employee Transfer Rate						
	8%	7%	21%	6%	11%	5%

(Calculated by including employees who left voluntarily)

Occupational Health and Safety Trainings	2018	2019	2020
Training Hour (Excluding OHS)	3,000	12, 922	15,488
Sustainability and Environmental Education Hour	150	1,322	525
Subcontractor Training Hours*	480	249	244

*Hygiene/Cleaning-Packaging Processes-Quality Systems

Occupational health and Safety (AEP Employees)	2018	2019	2020
Number of accidents - Fruit Juice	11	17	15
Number of accidents - Plantation and Fresh Products			18
Number of fatal cases	0	0	0
Number of occupational diseases	0	0	0
OHS Training Hours	5,420	7,568	5,085

Occupational health and Safety (Subcontractor Employees)	2018	2019	2020
Number of fatal cases	0	0	0
Number of occupational diseases	0	0	0
OHS Training Hours	2,820	12,079	14,136

	2018		2019		2020	
	Female	Male	Female	Male	Female	Male
Employees by Seniority						
Working for 0-5 years	66	303	59	291	68	295
Working for 5-10 years	13	65	15	98	11	110
Working for 10 years or more	5	84	3	80	3	81



ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Consumption by Fuel Type	2018	2019	2020
Natural gas (MWh)	47,707	50,490	54,552
Electricity (MWh)	28,729	28,708	19,794
Coal (Ton)	5,449	7,190	4,292
CNG/LNG (MWh)	40,923	36,444	25,793
Diesel (Ton)	525	650	27

Energy Consumption	2018	2019	2020
Total (MWh)	117,884	116,292	100,166

Draft Survey by Source (m³)	2018	2019	2020
Tap water (Isparta Fruit Juice Plant)	232,728	298,469	313,712
Groundwater (Well water) (Mersin, Denizli Fruit Juice Plants, Plantation and Fresh Products Operations)	8,217,307	14,935,124	8,409,602

Water Discharge	2018	2019	2020
Wastewater amount (Mersin, Denizli and Isparta Plants)	1,319,766	1,185,664	1,148,158



UNGC COMPLIANCE IMPACT

UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights

Sustainable Supply Chain
Community Investments

Principle 2: Businesses should make sure that they are not complicit in human rights abuses

Sustainable Supply Chain
Community Investments

Labor Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Employment and Employee
Engagement

Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour

Employment and Employee
Engagement

Principle 5: Businesses should uphold the effective abolition of child labour

Employment and Employee
Engagement

Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation

Employment and Employee
Engagement

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges

Our Sustainable Agriculture
Principles

Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility

Our Sustainable Agriculture
Principles

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies

Our Sustainable Agriculture
Principles

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Corporate Management

GRI CONTENT INDEX



As a result of the review conducted by the GRI Reporting Services Department to provide the Materiality Disclosures Service, it has been found that the disclosure references between 102-40 and 102-49 are clearly presented in the GRI content index and these references are compatible with the relevant sections in the report. This service has been performed on the Turkish version of the report.

GRI 101: BASIC 2016

GRI 102: GENERAL DECLARATIVES 2016		Place of Description in Report		Place of Description in Report	
	Kurumsal Profil			Stakeholder Engagement	
102-1	Institution name	Page 3	102-40	List of stakeholder groups	Page 19
102-2	Activities, trademarks, products and services	Page 8-9	102-41	Collective bargaining agreements	Page 47
102-3	The place where the headquarters of the organization is located	Page 60	102-42	Identifying and selecting stakeholders	Page 19
102-4	Countries where the organization has production centers	Page 8-9	102-43	Stakeholder engagement approach	Page 20
102-5	Qualification of property and legal structure	Incorporated company	102-44	Key issues and stakeholder priorities	Page 20-22
102-6	Markets served	Page 8-9		Reporting	
102-7	The scale of the institution	Page 8-9	102-45	All institutions included in consolidated balance sheets or equivalent documents	Page 3
102-8	Information about employees and other workers	Page 53	102-46	Defining report content and subject boundaries	Page 22
102-9	Supply chain	Page 27-30	102-47	List of prioritized topics	Page 21-22
102-10	Changes to the organization and supply chain	There have been no material modifications.	102-48	Repetitive information	There is no modification.
102-11	The Prudence Principle or approach	Page 36-43	102-49	Modifications in reporting	Page 3
102-12	External initiatives	Page 56	102-50	Reporting period	Page 3
102-13	Corporate memberships	Page 51	102-51	Date of previous report	2019
	Strategy		102-52	Reporting cycle	Annual
102-14	Statement from the top decision maker	Page 4-5	102-53	Contact information for questions about the report and its content	Page 3-60
102-15	Key implications, risk and opportunities	Page 15-16	102-54	Compliance option selected according to GRI Standards	Page 3
	Ethics and Integrity		102-55	GRI content index	Page 57
102-16	Values, principles, standards and norms of behavior	Page 13	102-56	External assurance	There have been no external assurance
102-17	Ethics recommendation and notification mechanisms	Page 14			
	Governance				
102-18	Governance structure	Page 14-19			

GRI CONTENT INDEX

GRI 200-300-400 TOPIC SPECIFIC STANDARDS 2016

GRI 200 ECONOMIC STANDARDS SERIES		Place of Description in Report
	GRI 203 Indirect Economic Impacts 2016	
GRI 103 MANAGEMENT APPROACHES 2016	103-1 Prioritized issues and boundaries	Page 22
	103-2 Management approaches and supplements	Page 27-34
	103-3 Evaluation of the management approach	Page 27-34
GRI 203 Indirect Economic Impacts 2016	203-2 Material indirect economic impacts	Page 27-34
GRI 300 ENVIRONMENTAL STANDARDS SERIES		Place of Description in Report
	GRI 302 Energy 2016	
GRI 103 MANAGEMENT APPROACHES 2016	103-1 Prioritized issues and boundaries	Page 22
	103-2 Management approaches and supplements	Page 43
	103-3 Evaluation of the management approach	Page 43
GRI 302 Energy 2016	302-1 Energy consumed in the organization	Page 55
	GRI 303 Su ve Atık Su 2018	
GRI 103 MANAGEMENT APPROACHES 2016	103-1 Prioritized issues and boundaries	Page 22
	103-2 Management approaches and supplements	Page 39-40
	103-3 Evaluation of the management approach	Page 39-40
GRI 303 Water and Wastewater 2018	303-1 Interaction with a common resource, water	Page 39-40
	303-2 Management of impacts related to wastewater discharge	Page 42
	303-3 Draft Survey	Page 55
	303-4 Water discharge	Page 55
	GRI 304 Biodiversity 2016	
GRI 103 MANAGEMENT APPROACHES 2016	103-1 Prioritized issues and boundaries	Page 22
	103-2 Management approaches and supplements	Page 37-38
	103-3 Evaluation of the management approach	Page 37-38
GRI 304 Biodiversity 2016	304-1 Operations in protected areas or non-protected areas with high biodiversity value	Page 37-38
	304-2 Impact of activities, products and services on biodiversity	Page 37-38
	GRI 306 Wastes 2020	
GRI 103 MANAGEMENT APPROACHES 2016	103-1 Prioritized issues and boundaries	Page 22
	103-2 Management approaches and supplements	Page 41-42
	103-3 Evaluation of the management approach	Page 41-42
GRI 306 Wastes 2020	306-1 Waste generation and significant waste-related effects	Page 41-42
	306-2 Management of significant waste-related impacts	Page 41-42
	306-4 Waste not sent for disposal (reused, recycled)	Page 42



GRI CONTENT INDEX

GRI 400 SOCIAL STANDARDS SERIES		Place of Description in Report
	GRI 401 Employment 2016	
	103-1 Prioritized issues and boundaries	Page 22
GRI 103 MANAGEMENT APPROACHES 2016	103-2 Management approaches and supplements	Page 47-49
	103-3 Evaluation of the management approach	Page 47-49
GRI 401 Employment 2016	401-1 New recruits and employee transfer	Page 55
	GRI 403 Occupational Health and Safety 2018	
	103-1 Prioritized issues and boundaries	Page 22
GRI 103 MANAGEMENT APPROACHES 2016	103-2 Management approaches and supplements	Page 45-46
	103-3 Evaluation of the management approach	Page 45-46
	302-1 Energy consumed within the organization	Page 45-46
	403-1 Occupational health and safety management system	Page 45
GRI 403 Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Page 46-54
	403-9 Occupational injuries	Page 54
	403-10 Occupational diseases	Page 54
	GRI 404 Education and Training 2016	
	103-1 Prioritized issues and boundaries	Page 22
GRI 103 MANAGEMENT APPROACHES 2016	103-2 Management approaches and supplements	Page 47-49
	103-3 Evaluation of the management approach	Page 47-49
GRI 404 Education and Training 2016	404-2 Talent management and lifelong learning programs that support employee development	Page 47-49
	GRI 408 Child Labor 2016	
	103-1 Prioritized issues and boundaries	Page 22
GRI 103 MANAGEMENT APPROACHES 2016	103-2 Management approaches and supplements	Page 30-33
	103-3 Evaluation of the management approach	Page 30-33
GRI 408 Child Labor 2016	408-1 Measures taken to contribute to the effective elimination of child labor	Page 30-33
	GRI 416 Customer Health and Safety 2016	
	103-1 Prioritized issues and boundaries	Page 22
GRI 103 MANAGEMENT APPROACHES 2016	103-2 Management approaches and supplements	Page 26-51
	103-3 Evaluation of the management approach	Page 26-51
GRI 416 Customer Health and Safety 2016	416-1 Evaluation of the health and safety effects of products and services	Page 26-51

General Centers

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Sustainability Report 2020

